

STUDIO CITY PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

ENGINEER'S REPORT

Prepared pursuant to the State of California Property and Business Improvement District Law of 1994, as amended, and Section 4, Article XIII D of the California Constitution, to renew a Property and Business Improvement District within the City of Los Angeles

January 1, 2015 to December 31, 2019

Prepared by



Civitas Advisors Inc.
Principal John Lambeth, Esq.
(800)999-7781

and



TRUSTED ENGINEERING ADVISORS

Bennett Engineering Services
Principal Orin Bennett, PE
(916)783-4100

June 12, 2014

STUDIO CITY

PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

ENGINEER'S REPORT

TABLE OF CONTENTS

| | |
|---|-----------|
| I. DISTRICT OVERVIEW | 3 |
| II. HISTORY..... | 4 |
| III. PURPOSE | 5 |
| IV. DISTRICT BOUNDARIES..... | 7 |
| Area | 7 |
| Boundary Description..... | 7 |
| Benefit Zones..... | 8 |
| Boundary Rationale | 8 |
| V. SERVICES..... | 14 |
| Landscaping, Sanitation, and Beautification | 14 |
| Marketing | 15 |
| Streetscape, Capital, Parking and Safety Improvements | 16 |
| Administration..... | 17 |
| Uncollected Assessments/Contingency | 17 |
| VI. DISTRICT ASSESSMENT FORMULA..... | 19 |
| Separation of Special and General Benefits | 19 |
| Special Benefit | 19 |
| General Benefit..... | 21 |
| Cost Estimate..... | 24 |
| Assessment Formula | 25 |
| Assessment Calculation..... | 27 |
| Changes to Zoning | 28 |
| Assessments on Public Parcels | 28 |
| Residential and Agricultural Parcels..... | 29 |
| Time and Manner for Collecting Assessments | 29 |
| VII. ENGINEER'S CERTIFICATION | 31 |
| APPENDIX 1: ASSESSMENT CALCULATION TABLE..... | 32 |
| APPENDIX 2: MAP | 39 |
| APPENDIX 3 – INTERCEPT SURVEY RESULTS SUMMARY | 51 |

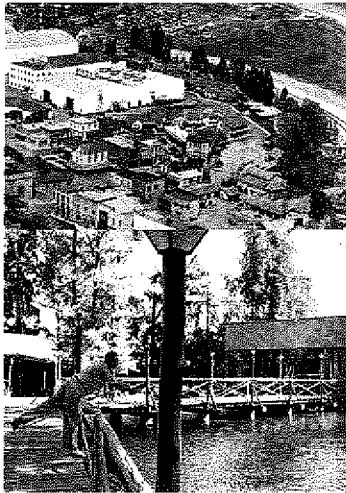
I. DISTRICT OVERVIEW

- Location:** The District includes parcels in Studio City, along Ventura Boulevard between Coldwater Canyon Avenue on the west and Carpenter Avenue on the east on the eastern entrance to the San Fernando Valley, within the City of Los Angeles, California. A boundary map and detailed description of the boundaries are included in Section II.
- Services:** The services provided include cleaning, beautification, marketing, streetscape and capital improvements, and administration. An extensive clean and beautiful program will sweep and pressure wash sidewalks, prune trees and remove weeds from tree wells, and provide landscaping service to medians. A marketing program will promote the District to potential customers and tenants. The District will also conduct occasional streetscape and capital improvement projects, management of parking issues, and support the needs of the individual assessed parcels. If funds allow, the District will also implement safety enhancements. Further detail on services is provided in Section III.
- Budget:** The total District assessment for the initial year of its five-year operation is anticipated to be \$450,399.35. The assessment may be subject to an increase of no more than four percent (4%) per year. The assessment funding will be supplemented by non-assessment funds so that the annual service plan budget for the initial year of the District's five-year operation is anticipated to be \$479,810.43.
- Cost:** Annual assessments are based upon an allocation of program costs by benefit zone, parcel size (square footage), and street frontage (linear footage). The initial annual parcel assessment rates are below. Per year maximum rates are described in Section IV.

| Assessment Variable | Zone 1 | Zone 2 |
|-------------------------------------|------------------|-----------------|
| Parcel square footage | \$0.035/sq. ft. | \$0.018/sq. ft. |
| Linear frontage along Ventura Blvd. | \$19.25/lin. ft. | N/A |
| Linear frontage along other streets | \$5.77/lin. ft. | \$1.92/lin. ft. |

- Renewal:** The SCPBID renewal is a two-step process. First, petitions signed by District property owners representing at least 50% of the total assessment to be levied must be secured. Second, property owners will be sent a ballot to vote on the District renewal. Returned ballots in support of the District renewal must outweigh those in opposition based on the amount of assessment to be levied.
- Duration:** The SCPBID will have a five-year life beginning January 1, 2015 and ending December 31, 2019. Prior to expiration, the petition process, ballot process, and City Council hearing process must be repeated for the SCPBID to again be re-established.

II. HISTORY



The Studio City Property and Business Improvement District (SCPBD, PBID or District), located on the eastern edge of the District, is known throughout the globe. It is home to the historical Sportsmen's Lodge Hotel, CBS Studio Center film complex, the Studio City Walk of Fame and over 300 restaurants and retailers. In 1928, the area became known as Studio City.

At the western edge of the Studio City PBID is the Sportsmen's Lodge Hotel. It was established in the 1880's and is considered a San Fernando Valley historical landmark.

CBS Studio Center today is a full service television production studio. The primary use is as a production rental facility. During peak production periods, there may be as many as 5,000 people working on the Studio lot.

As a testament to the special benefits provided, parcel owners have voted to renew the District on two separate occasions, in 2003 and 2008. The District is now approaching the end of its third five-year term that began in 2009. Parcel owners again desire to renew the District and continue the programs that have been demonstrably successful in providing special benefits to their parcels.

III. PURPOSE

Developed by the Studio City Business Improvement District Renewal Committee, the Studio City Business Improvement District Management District Plan is proposed to improve and convey special benefits to properties located within the Studio City Business Improvement District area. The District will provide new and continued programs, services and improvements, including Landscaping, Sanitation, Beautification, Marketing, Streetscape, Capital, Parking and Safety Improvements. Each of the programs is designed to meet the goals (PBID Goals) of the district; to maintain and improve the commercial core by providing Landscaping, Sanitation, Beautification, Marketing, Streetscape, Capital, Parking and Safety Improvements and to attract pedestrians and increase vehicular traffic of the desired market demographic, increase lease rates, commercial rentals, parking revenues, retail customers, restaurant and diner, auto service and hotel patrons for the assessed parcels in the PBID boundaries.

Commercial Core of Studio City

The commercial parcels fronting Ventura Blvd. from the Sportsmen's Lodge at Coldwater Canyon Avenue to the CBS Studio Center at Ventura Boulevard and Carpenter Avenue are the commercial core of Studio City. This commercial core is the center of the main economic development activity of Studio City. It showcases an array of commercial retailers, including many high-end shops, that when anchored to the Sportsmen's Lodge and CBS Studio Center, form the "cohesive commercial fabric" of the Studio City PBID. This main commercial core of Studio City mostly includes one parcel deep parcels fronting Ventura Boulevard because the parcels to the north and south are primarily residential with no commercial activity. The boundaries include parcel types that will specially benefit from the Studio City PBID services, programs and improvements including retail, office, grocery, restaurant, bank, auto service, attractions, entertainment offices, parking, hotel and film lot parcels (hereinafter "Assessed Parcel Types"). These Assessed Parcel Types comprise the commercial core of Studio City. The boundaries were chosen to include the parcels that will specially benefit from the BID services of retail, office, grocery, restaurant, bank, auto service, attractions, entertainment offices, parking, hotel and film lot parcels are designed to attract a particular market demographic of clientele as consumers to the Studio City PBID boundaries.

The assessed parcels are an essential part of the cohesive commercial center of economic activity of Studio City and seek to attract consumers with "higher income," which are defined as the "desired market demographic" for the Studio City PBID. The goal of the Studio City PBID is to maintain and improve the commercial core by providing Landscaping, Sanitation, Beautification, Marketing, Streetscape, Capital, Parking and Safety Improvements to attract pedestrians and increase vehicular traffic of the desired market demographic, increase lease rates, commercial rentals, parking revenues, retail customers, restaurant and diner, auto service and hotel patrons for the assessed parcels in the PBID boundaries. Assessed commercial parcels that receive PBID programs, services and improvements attract more customers, increase commerce, commercial rental income, commercial occupancies and improve the overall economic vitality of the BID by deterring crime, reducing litter and debris, all considered detractors to commerce commercial occupancy rates and economic vitality. The City of Los Angeles does not provide these programs and services. In the case of the District, the very nature of the purpose of this District is to fund supplemental programs, improvements and services to assessed parcels within the SCPBID boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. All benefits derived from the assessments to be levied on assessed parcels within the SCPBID are for services, programs and improvements directly benefiting each individual assessed parcel within the SCPBID. No BID funded services, activities or programs will be provided outside of the SCBID boundaries.

The purpose of the Studio City PBID is to attract pedestrians, employees and visitors that will become consumers and contribute to the overall economic vitality of the individual assessed parcels of the Studio City PBID, thereby providing special benefits to all of the assessed parcels. The Studio City PBID boundaries were selected because these parcels will special benefit from the programs, improvements and services of the PBID and they comprise

the commercial core where the main economic activity of Studio City is centered. The desired market demographic includes pedestrians, employees, visitors and consumers with high income. According to City-Data.com, the median household income for Studio City residents in 2011 was \$96,407, well above the California median income of \$57,287. Although the Studio City PBID's efforts will be to attract its desired market demographic from within Studio City, the market demographic will also include visitors and celebrities. Many of the businesses within the boundaries of the district cater to the desired demographic which contributes to the cohesive commercial fabric of the Studio City PBID. Furthermore, celebrities have been sighted many times in the Studio City PBID, adding to its status and identity.



The Studio City PBID's programs, services and improvements are vital to the economic success of the District. What once was a barren area (see historical photo on left) has been transformed over the years to an urban oasis that includes numerous tree plantings and medians (see current Studio City PBID on right). Without the Studio City PBID, parcels would not receive these

that are vital to their economic success and vitality. The services are a benefit to the assessed parcel types because graffiti, trash, dirty sidewalks, and unkempt medians deter commerce.



lush
photo
these
services
special

IV. DISTRICT BOUNDARIES

Article XIID Section 4(a) of the State Constitution requires that the authorizing agency “identify all parcels which will have special benefit conferred upon them and upon which an assessment will be imposed.” The boundaries of the Studio City Business Improvement were selected because they encompass the commercial corridor primarily along Ventura Boulevard that will specially benefit the assessed parcels with the overall intention of improving commerce and economic vitality within the PBID.

Area

The Studio City Business Improvement District encompasses approximately 20 blocks in Studio City at the southeastern area of the San Fernando Valley, within the City of Los Angeles, California. The Studio City PBID boundaries begin at Coldwater Canyon Avenue and Ventura Boulevard on the western edge of the boundary and travel eastward along Ventura Boulevard to Carpenter Avenue to the eastern edge of the District at Carpenter Avenue and Ventura Boulevard. The northern boundary begins at the north side of the parcels that front Ventura Boulevard from Coldwater Canyon Avenue, continuing past to Whitsett Avenue and includes all parcels south of the Los Angeles River. The northern boundary continues along Ventura Boulevard to include all commercial parcels fronting Ventura Boulevard from Whitsett Avenue to Laurel Grove Avenue. The boundary continues along Ventura Boulevard to include all parcels along Ventura Boulevard south of the Los Angeles River to Laurel Canyon Boulevard, continuing then with all commercial parcels facing Ventura Place from Laurel Canyon Boulevard to Radford Avenue, and then continuing with all commercial parcels facing Radford Avenue from Ventura Boulevard to Valleyheart Drive. The eastern-most boundary begins with the CBS Studio Center parcel abutting the southern border of the Los Angeles River at Colfax Avenue and follows that parcel’s property line to then include all four parcels facing the intersection of Carpenter Ave and Ventura Boulevard. The southern-most boundary consists of all commercial parcels facing Ventura Boulevard from Carpenter Avenue on the east to Coldwater Canyon Avenue on the west, including all commercial parcels just south of Ventura Boulevard and commercial parcels that front Laurel Canyon boulevard. All property described above are the approximate boundaries included in the Studio City PBID. A detailed description of the boundaries is described below.

Boundary Description

Beginning at the northwest corner of Assessor’s Parcel Number (APN) 2375-021-022 (Map ID 225), then east along the northern boundary of parcels fronting the north edge of Ventura Boulevard, across Whitsett Avenue, Rhodes Avenue, and Laurelgrove Avenue to the northwest corner of APN 2367-017-900 (Map ID 29), east along the northern boundary of said parcel, and continuing east along the northern boundary of parcels fronting the north edge of Ventura Boulevard to the northwest corner of the western portion of APN 2367-015-001 (Map ID 1). East along the northern boundary of said parcel, and continuing east along the northern boundary of parcels fronting the north edge of Ventura Boulevard to the northwest corner of APN 2367-016-004 (Map ID 4). East along the northern boundary of said parcel, then east along the northern boundary of APN 2367-016-006 (Map ID 6) to the northwest corner of the eastern portion of APN 2367-015-001 (Map ID 1). East along the northern boundary of said parcel to Laurel Canyon Boulevard, then east across Laurel Canyon Boulevard to the south edge of Valleyheart Drive.

East along the south edge of Valleyheart Drive to the northeast corner of APN 2368-002-018 (Map ID 84), then south along the south edge of the alley between Ventura Place and Hoffman Street to a point opposite the southwest corner of APN 2368-002-033 (Map ID 85). North along the western boundary of parcels fronting the west edge of Radford Avenue to the northwest corner of APN 2368-003-001 (Map ID 96), then east along the northern boundary of said parcel to Radford Avenue. Northeast across Radford Avenue to the northwest corner of APN 2368-005-011 (Map ID 99), then east along the northern boundary, south along the eastern boundary, and west along the southern boundary to a point opposite the northeast corner of APN 2368-006-024 (Map ID 118). South along the eastern boundary of parcels fronting the east edge of Carpenter Avenue, across Ventura

Boulevard, to the southeast corner of APN 2369-027-031 (Map ID 211). Northwest along the southwestern boundary of parcels fronting the southwest edge of Ventura Boulevard to the southwest corner of APN 2369-015-015 (Map ID 183), then south along the eastern boundary of APNs 2369-015-015 (Map ID 182) and 2369-015-006 (Map ID 180), and continuing west along the southern boundary of said parcel to Laurel Canyon Boulevard. North along the east edge of Laurel Canyon Boulevard to a point opposite the southeast corner of APN 2369-014-001 (Map ID 169).

West along the southern boundary of parcels fronting the south edge of Ventura Boulevard to the southeast corner of the eastern portion of APN 2369-014-010 (Map ID 178), then west along the southern boundary of the eastern portion of said parcel, continuing west along the southern boundary of APN 2369-014-009 (Map ID 177), and continuing west along the southern boundary of the western portion of APN 2369-014-010 (Map ID 178) to Vantage Avenue. North along the east edge of Vantage Avenue to a parcel opposite the southeast corner of APN 2369-004-046 (Map ID 168), then west along the southern boundary of parcels fronting the south edge of Ventura Boulevard, across Laurelgrove Avenue, Rhodes Avenue, Laurel Terrace Drive, Fairway Avenue, Goodland Avenue, and Alcove Avenue, to Coldwater Canyon Avenue. North along the east edge of Coldwater Canyon Avenue, across Ventura Boulevard, to the northwest corner of APN 2375-021-022 (Map ID 225), the point of beginning.

Benefit Zones

The District parcels are divided into two benefit zones. Zone 1 includes all parcels fronting Ventura Boulevard, Laurel Canyon Boulevard, or Ventura Place, which have the heaviest level of pedestrian and vehicular traffic. All other parcels are Zone 2. Zone 2 parcels (parking lots and CBS Studio Center) are separated because they do not have street frontage along Laurel Canyon Boulevard, Ventura Place or Ventura Boulevard, which are the heavily traffic corridors of the PBID. Zone 2 parcels have less need for services than Zone 1 parcels because they are not as heavily trafficked by pedestrians and vehicles, require less landscaping services and are accessible only via service streets. The parcels share the PBID Goals to maintain and improve the commercial core by providing services, programs and improvements to the PBID to attract pedestrians and increase vehicular traffic of the desired market demographic, increase lease rates, commercial rentals, parking revenues, retail customers, restaurant and diner, auto service and hotel patrons for the assessed parcels in the PBID boundaries. The parking lots will benefit from increased patronage and CBS Studio Center will benefit from commercial rentals. These services are designed to attract customers of the desired market demographic. The services are a special benefit to the assessed parcels in both zones because graffiti, trash, dirty sidewalks, and unkempt medians deter commerce.

Each Zone will receive services tailored to meet the needs of those parcels, as described in Section IV of this Plan. Zone 1 and 2 will share the Administration and Contingency/Uncollected Assessment expenses proportionately with their assessments.

Boundary Rationale

The Studio City PBID boundaries are comprised of the commercial core parcels where the main economic activity of Studio City is centered. The commercial parcels fronting Ventura Blvd. from the Sportsmen's Lodge at Coldwater Canyon Avenue to the CBS Studio Center at Ventura Boulevard and Carpenter Avenue are the heart of the commercial core of Studio City. These parcels showcase an array of commercial retailers, including many high-end shops, that when combined with the Sportsmen's Lodge and CBS Studio Center, form what is labeled as the "cohesive commercial fabric" of the Studio City PBID. The Sportsmen's Lodge serves as the west anchor to the District and CBS Studio Center as the east anchor to the District.

The boundaries include parcel types that will specially benefit from the Studio City PBID activities and services and are a mix of retail, office, grocery, restaurant, bank, auto service, attractions, entertainment offices, parking, hotel and film lot parcels which comprise the commercial core of Studio City. The assessed parcels are a part of the

cohesive commercial fabric of Studio City which seeks to attract the targeted the consumer demographic and to improve and maintain their economic success to remain vital and occupied. These parcels were chosen to be included in the PBID boundaries because they will specially benefit from the district programs, services and improvements and are a part of the Studio City commercial center fronting Ventura Boulevard. Surrounding parcels zoned solely residential, residential use and zoned agricultural have not been included within the boundaries of the PBID. These parcels will not specially benefit from the PBID programs, improvements and services which are designed to improve commerce and economic vitality. These parcels care for their own beautification and don't have a desire to attract or increase pedestrian or vehicular traffic and therefore will not specially benefit from the PBID services.

The services to be provided by the SCPBID are all designed to contribute to the cohesive commercial fabric and to ensure economic success and vitality of the District. The assessed parcels in the PBID will specially benefit from the District programs in the form of increasing commerce and improving economic success and vitality through meeting the PBID Goals: to improve safety, sanitation, beautification, landscaping, and to attract and retain businesses and services, and ultimately to increase commerce and improve the economic viability of each individual assessed parcel.

The property uses within the boundaries of the PBID are a unique mix of retail, office, grocery, restaurant, bank, auto service, attractions, entertainment offices, parking, hotel and film lot (the "Assessed Parcel Types"). The Assessed Parcel Types are unique in that they are entirely commercial, entertainment, or parking in nature. The entertainment parcels specially benefit from the programs and services because the programs, services and improvements create a desirable place to do business that attract potential tenants to rent and utilize the studio facility. The programs, services and improvements benefit the studio by providing a desirable commercial location for their employees and tenants. The hotel will specially benefit because the BID programs will attract more visitors and patrons. The retail, grocery and auto service parcels will specially benefit because the well-manicured District will provide an attractive environment to attract consumers. The parking parcels will also specially benefit because the parking availability will attract vehicular customers and revenue. The programs will maintain the area to attract commercial tenants and maintain lease rates for office parcels.

All of the Assessed Parcel Types will specially benefit from the programs, services and improvements of the Studio City PBID designed to increase commerce and economic vitality. Zone 1 is comprised of parcels fronting Ventura Boulevard, Ventura Place and Laurel Canyon Boulevard. There is a higher need for programs, services, and improvements in Zone 1 of the District because of the high volume of commercial activity, pedestrian traffic, vehicular traffic and require streetscape, capital and landscaping. Further, Ventura Boulevard and Laurel Canyon Boulevard and portions of Ventura Place are wide streets with center medians and will require landscaping and improvements. Therefore, Zone 1 parcels will receive a greater level of special benefits from the Districts programs, services and improvements. Parcels in Zone 2 do not front these streets; they have less pedestrian and vehicular traffic and do not require the same level of services as Zone 1. Parcels in Zone 2 do not have street frontage along Laurel Canyon Boulevard, Ventura Place or Ventura Boulevard and therefore do not benefit from the same degree of services. The services and assessment rate have been reduced in Zone 2 to reflect the different degree of benefit. The parcels surrounding the District do not front Ventura Boulevard, Ventura Place or Laurel Canyon Boulevard and will not specially benefit; are not assessed and are not part of the cohesive commercial center of Studio City.

Northern Boundary

Parcels beyond the northern boundary will not specially benefit because they are not part of the commercial core of the District. The northern boundary of the PBID includes commercial parcels one parcel deep fronting Ventura Boulevard from Coldwater Canyon Avenue to Laurelgrove Avenue. The boundary is one parcel deep to include all of the parcels that front Ventura Boulevard and will specially benefit from enhancement of and services provided

along Ventura Boulevard. Parcels to the north are not included in the District boundaries because they are not commercial in nature and they are not part of the Studio City center of economic activity which fronts Ventura Boulevard and they would not benefit from the PBID Goals designed to improve commerce and economic vitality of Studio City's commercial core.

Along Ventura Boulevard between Coldwater Canyon Avenue and Whitsett Avenue, the PBID parcels are bordered on the north by the Los Angeles River Greenway Park, which, as discussed above, does not share the PBID Goals and would not benefit from the services; thus, it is not assessed. The parcels located to the north of the assessed parcels in the PBID are comprised of the Los Angeles River, which provides a natural barrier. Additionally, parcels located north of the river are comprised of parcels that are solely residential or a golf course, which is zoned agricultural. The Property and Business Improvement District Law of 1994, California Streets & Highway Code § 36632 states, "Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part."

Along Ventura Boulevard between Whitsett Avenue and Laurel Grove Avenue, the District is bordered on the north by parcels that do not share the cohesive commercial fabric of the PBID and therefore not included in the PBID. It is primarily comprised of a large public storage warehouse, private parking areas, and a few non-retail commercial businesses. As discussed above, these parcels do not share the cohesive commercial fabric of the PBID, nor do they share the PBID Goals; thus, they are not included in the PBID because they do not attract pedestrians, employees or visitors to the PBID. They are also located on a very narrow street equivalent to the 30 foot width of the PBID alleys.

Along Ventura Boulevard from Laurelgrove Avenue to Laurel Canyon Boulevard, the boundary is the Los Angeles River Greenway Park. As discussed above, the Park does not have a commercial component and does not share the PBID Goals to increase commerce and improve the economic viability, would not benefit from the services, and therefore will not be assessed. The remaining parcels between Ventura Boulevard and the Park are assessed because they receive special benefit from PBID services. There are five parcels in this block which do not face Ventura Boulevard; however, because the only access to those five parcels is via Ventura Boulevard, they are a part of Studio City's commercial core and will receive a special benefit from the services to be provided. These five parcels are all parking lots for a cohesive shopping center that spreads across parcels in Zone 1 and Zone 2; upon physical inspection of the Zone 2 parcels, it is not possible to distinguish that they are separate parcels. These five parcels have been designated Zone 2 parcels because they do not front Ventura Blvd. and therefore do not receive the same level of services as parcels fronting Ventura Blvd. The Zone 2 parcels do not pay Ventura Boulevard frontage, and pay a lower square foot rate commensurate with the benefits received by each individual assessed parcel, as described in the Engineer's Report.

From Laurel Canyon to Radford Avenue the boundary is one parcel deep of commercial parcels fronting Ventura Place. The boundary is one parcel deep because all of these parcels front Ventura Place and are part of the commercial center of Studio City and will therefore benefit from PBID services that will enhance and be provided along those streets and sidewalks. Parcels north of Ventura Place between Valleyheart Drive and Radford Avenue (except the two Zone 2 parcels as later discussed) are residential uses and do not face a serviced street. As discussed above, these parcels do not share the uniquely cohesive nature of the assessed parcels, nor do they share the PBID Goals of improving commerce; thus, they would not benefit from the services.

Additionally, parcels located north of the river are comprised of parcels that are solely residential or a golf course, which is zoned agricultural. To the north of the assessed parcels, there is an alley that serves as a natural barrier. Further to the north, there are only R-3 residentially zoned parcels. The Property and Business Improvement District Law of 1994, California Streets & Highway Code § 36632 states, " Properties zoned solely for residential

use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.”

The northern boundary extends to Valleyheart Drive along Radford Avenue on the east side, and includes two commercial parcels (APN 2368-002-033 and APN 2368-003-001) on the west side of Radford Avenue. The two parcels on the west side of Radford Avenue are included in the District because they are commercial and are part of the Studio City’s commercial center. The remaining parcels along the western side of Radford Avenue are zoned RAS4-1. Those parcels are not included in the District because their use is solely residential, and they do not share the PBID Goals to increase commerce and improve the economic vitality; therefore they are not included in the District.

At Radford Avenue and Valleyheart Drive, the northern boundary extends across the Los Angeles River Parkway to include the front and entire CBS Studio Center film complex parcel that fronts Radford Avenue. This large parcel along the eastern side of Radford Avenue (APN 2368-005-011) will specially benefit from the programs and services and shares the PBID Goals to increase commerce and economic vitality via attracting desirable tenants and employees. Because the main entrance to the Studio is at 4024 Radford Avenue, it does not receive the same benefit as Zone 1 parcels because it does not front Ventura Boulevard. This parcel is a Zone 2 parcel.

The District will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed.

Eastern Boundary

Parcels beyond this boundary will not specially benefit because they are not part of the commercial core of the District and service a different clientele demographic outside of the District boundaries. The eastern boundary of the PBID is the eastern corner of Carpenter Avenue. The north-eastern boundary is the edge of the Studio City film complex which extends to Colfax Avenue. This boundary was chosen to include all of the parcels that share the cohesive commercial center of Studio City and market demographic of the Studio City BID. Parcels on all four sides of the corner of Carpenter Avenue and Ventura Boulevard are included in the District boundaries because they are part of the Studio City commercial center and have high pedestrian traffic from the Studio City film lot to the parcel located on the southeast corner of Carpenter Avenue and Ventura Boulevard which is mostly occupied by the Studio City film complex legal personnel. The boundary does not include parcels east of the Carpenter Avenue intersection because those parcels are not part of the cohesive commercial fabric that shares the PBID Goals. The environment and types of businesses present to the east of Carpenter Avenue are different and attract consumers of a different marketplace demographic orientation with lower income. Examples of businesses located to the east of the PBID boundary are the US Probation and Parole office, a marijuana shop and two small motels that do not have a pool or appear on any hotel-type website. These types of businesses are not part of the cohesive commercial fabric of the PBID and do not share the PBID goals. Therefore, they are not included in the boundaries of the District and will not specially benefit from the PBID services. The adjacent portion of the Film Lot parcel east of Carpenter Avenue is included because the parcel benefits from services to be provided up to Carpenter Avenue and the parcel cannot be divided in two for assessment purposes.

The District will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed.

Southern Boundary

The southern boundary of the PBID is one parcel deep along Ventura Boulevard between Coldwater Canyon Avenue and the western side of Vantage Avenue. Parcels beyond this boundary will not specially benefit because they are not part of the commercial core of Studio City. The boundary is one parcel deep because parcels south of the boundary are used solely as residential properties. Between Whitsett Avenue and Vantage Avenue, there is

also the additional barrier of the alley that separates the PBID from the residential neighborhood. All of the parcels that front Ventura Boulevard will benefit from enhancement of that street and share the PBID Goals. Parcels south of those fronting Ventura Boulevard are zoned solely residential and because they do not have a commercial component, they do not share the PBID Goals to increase commerce and improve the economic vitality; therefore they are not assessed.

Along Ventura Boulevard between Vantage Avenue and Laurel Canyon Boulevard, the boundaries include all parcels comprising one large contiguous shopping area occupied by a single shopping center spanning several parcels. The shopping center shares the PBID Goals and will specially benefit from the programs, services and improvements designed to improve commerce and economic vitality. The point south of the shopping center zoned solely residential and is not part of the cohesive commercial center of the PBID and therefore is not included in the District boundaries. There is one commercially zoned parcel that is not part of the Studio City cohesive commercial center. This parcel is located south of the shopping center fronting Laurel Canyon Boulevard and is used as a medical facility. This parcel does not share the cohesive commercial fabric of the assessed parcels because the PBID Goals do not focus on medical facilities. It will not specially benefit from the PBID programs, services and improvements designed to increase commerce and economic vitality of parcels in the Studio City commercial center. There is one commercial parcel that fronts Vantage Avenue (Map ID 178) which is part of the District because it is part of the shopping center. There is also one parcel in the shopping center (Map ID 177) which is used as parking and therefore has been designated Zone 2 because it does not have Ventura Boulevard frontage, but is surrounded by parcels facing parcels that are part of the shopping center.

Fronting along Ventura Boulevard from Laurel Canyon Boulevard to Radford Avenue, the boundaries include commercial parcels that share the PBID Goals and are a part of the cohesive commercial core of the Studio City District. The District boundary is one parcel deep (except Map ID 182 as discussed below) along Laurel Canyon Boulevard between Valleyheart Drive and Ventura Boulevard. The District boundary ends at the solely residential parcels on Laurel Canyon Boulevard, which as discussed above do not have a commercial component and do not share the PBID Goals to increase commerce and improve the economic vitality; therefore, they are not assessed. There is one parcel in this area (Map ID 182) which does not front Ventura Boulevard or Laurel Canyon Boulevard, but is assessed as part of Zone 2 because the means of access is via Laurel Canyon Boulevard and it is part of the shopping center, and will receive special benefits as described in the Engineer's Report. Fronting along Ventura Boulevard between Radford Avenue and the south-eastern corner of Carpenter Avenue, the boundary continues one parcel deep along Ventura Boulevard. The boundary is one parcel deep because parcels south of the boundary are zoned solely residential and will not specially benefit from the PBID programs and services. All of the parcels that front Ventura Boulevard will benefit from enhancement of that street and share the PBID Goals. Parcels south of those fronting this section of Ventura Boulevard either have solely residential or school zoning, as there is a Carpenter Charter Elementary School behind the commercial parcels. The school's entrance is accessed via Carpenter Avenue and no entrance to the school fronts either Ventura Boulevard or Laurel Canyon Boulevard and will not specially benefit from the programs and services designed to improve commerce and economic vitality. Because these residential and school parcels are not commercial and do not share the PBID Goals, they will not specially benefit and will not be assessed. The District will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed.

Western Boundary

Parcels beyond this boundary will not specially benefit because they are not part of the commercial core center of the Studio City District. The western boundary of the PBID is the eastern side of Coldwater Canyon Avenue. As part of this renewal the boundary has been extended to Coldwater Canyon Avenue. Because Coldwater Canyon Avenue is a major thoroughfare with minimal pedestrian traffic crossing into or out of the District, it serves as a physical and perceivable boundary that separates the assessed parcels from that west of Coldwater Canyon Avenue. The parcels west of Coldwater Canyon Avenue do not share the cohesive commercial fabric of the PBID

and are not the same as the Assessed Parcel Types, rather they have a mixture of types of uses including four blocks that are zoned solely residential along Ventura Boulevard on the south side of the street, thus parcels West of Coldwater Canyon Avenue are not included in the District. These parcels attract a different demographic clientele. The District will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed.

The District boundary includes 248 parcels. The District boundary is illustrated by the overview map on Appendix 3. Parcels in the map in Appendix 3 are identified by Map ID numbers corresponding to the Assessor's Parcel Numbers, which can be found in Appendix 2. A larger map is available on request by calling (818) 655-5377. If the ownership, size, or zoning of a parcel changes during the term of this District, the assessment calculation may be modified accordingly, pursuant to Government Code 53750.

V. SERVICES

Assessed parcels that receive the PBID services, programs and improvements as described below will specially benefit because they are designed to attract more customers, visitors and employees, thereby increasing customers and economic vitality to the individually assessed parcels within the PBID boundaries. These services improve commerce and economic vitality by deterring crime, reducing litter and debris, all considered detractors to commerce, and economic vitality.

The property uses within the boundaries of the PBID are a unique mix of retail, office, grocery, restaurant, bank, auto service, attractions, entertainment offices, parking, hotel and film lot. These Assessed Parcel Types are unique in that they are entirely commercial, entertainment, or parking in nature. The entertainment parcels specially benefit from the programs and services because the programs, services and improvements create a desirable place to do business that attract potential tenants to rent and utilize the studio facility. The programs, services and improvements benefit the studio by providing a desirable commercial location for their employees and tenants. The hotel will specially benefit because the BID programs will attract more visitors and patrons. The retail, grocery and auto service parcels will specially benefit because the well-manicured District will provide an attractive environment to attract consumers. The parking parcels will also specially benefit because the parking availability will attract vehicular customers and revenue. The programs will maintain the area to attract commercial tenants and maintain lease rates for office parcels. For the retail, office, grocery, bank, auto service, attractions, entertainment office, parking, hotel and film lot uses within the District, each of these uses and assessed parcels specially benefit from BID funded programs and services through increased commerce, commercial rental income, commercial occupancies and overall economic vitality of the District. BID funded landscaping, sanitation, beautification, marketing, streetscape, capital, parking, safety, and administration services, programs and improvements enhance each assessed parcel by improving cleanliness, sanitation, beautification, safety, parking, business attraction and retention, and commerce for its business tenants, employees, customers, clients and visitors.

A summary of the SCPBID services are described below. Please see the Studio City Management District Plan for a detailed explanation of the Districts services, improvements and programs.

Landscaping, Sanitation, and Beautification

Of the services described below, Zone 1 will receive Sanitation personnel, trash disposal, sidewalk cleaning, graffiti removal, tree trimming and landscaping services. Zone 2 will receive Sanitation personnel, trash disposal, sidewalk cleaning, graffiti removal and tree trimming services. Both Zone 1 and Zone 2 will benefit from this category, with benefits proportional to their respective zones.

Sanitation Personnel: Sanitation personnel will collect and remove litter, including sidewalk and gutter weed removal. All individual assessed commercial, entertainment and parking parcels located within the boundaries of the District will receive these services. This service will specially benefit the individual assessed parcels of each Assessed Parcel Type and help meet the PBID Goals by increasing cleanliness and encouraging increased patronage and commerce on each individual assessed parcel because dirty sidewalks are deterrent to customers.

Trash Disposal: The District services trash receptacles in the district. The trash receptacles are located on the sidewalk throughout the District and will benefit all of the individual assessed commercial, entertainment and parking parcels within the boundaries of the District. This service will specially benefit the individual assessed parcels of each Assessed Parcel Type and meet the PBID Goals by increasing

cleanliness and thereby encouraging increased patronage and commerce on each individual assessed parcel because trash is a deterrent to customers.

Sidewalk Cleaning: Sidewalks will be pressure washed throughout the District. All individual assessed commercial, entertainment and parking parcels within the boundaries of the District receive this special service. This service will specially benefit the individual assessed parcels of each Assessed Parcel Type and meet the PBID Goals by increasing cleanliness and thereby encouraging increased patronage and commerce on each individual assessed parcel because dirty sidewalks are a deterrent to customers.

Graffiti Removal: The District will continue to provide graffiti removal services in the District. All individual assessed commercial, entertainment and parking parcels within the PBID will receive this benefit. This service will specially benefit the individual assessed parcels of each Assessed Parcel Type and meet the PBID Goals by increasing cleanliness and thereby encouraging increased patronage and commerce on each individual assessed parcel because graffiti is a deterrent to customers.

Tree Trimming: The District will provide tree trimming services. This service will specially benefit the individual assessed parcels of each Assessed Parcel Type and meet the PBID Goals by increasing cleanliness and improving landscaping and thereby encouraging increased patronage and commerce on each individual assessed parcel because trimmed palm trees prevent berries from falling to the ground and littering and staining the sidewalk.

Landscaping Services: The District will continue to provide landscaping and weed removal services in the District. All individual assessed commercial, entertainment and parking parcels in Zone 1 will benefit from this service. Parcels in Zone 2 will not receive nor be assessed for this service. This service will specially benefit the individual assessed parcels of each Assessed Parcel Type in Zone 1 and meet the PBID Goals by increasing cleanliness and improving landscaping and thereby encouraging increased patronage and commerce on each individual assessed parcel. This service will specially benefit the individual assessed parcels of each Assessed Parcel Type and meet the PBID Goals by increasing cleanliness and improving landscaping and thereby encouraging increased patronage and commerce on each individual assessed parcel because landscaping services create an inviting environment that attracts customers.

Marketing

Of the marketing services described below, both Zone 1 and 2 will receive website presence, other marketing promotions and the newsletter. Only Zone 1 will receive holiday decorations. Both Zone 1 and Zone 2 will benefit from this category, with benefits proportional to their respective zones.

A marketing program will be implemented to promote the image of Studio City, attract and increase pedestrian and vehicular traffic, and promote the use of the Studio City Public Parking Structure. This marketing program helps meet the goals of business and service attraction and retention and increased commerce. The marketing program may include advertising, website, decorations, parking incentives, periodic shuttle services, or other promotions. Parcels in Zone 2 will not receive decorations because there are no high traffic areas in Zone 2 parcels and they will not be assessed for that service. The marketing programs will be designed to attract the desired market demographic with the intent to increase the public's awareness of the PBID as a single destination in order to attract consumers to the rich collection of attractions, events, and services which will ultimately lead to increased commerce. For example, the District will publish a newsletter to keep property owners informed of upcoming events and services. Marketing efforts will be designed to meet the PBID Goals of improving the commercial core by implementing programs to attract pedestrians, increase lease rates, commercial rentals, parking

revenues, retail customers, restaurant and diner, auto service and hotel patrons for the assessed parcels in the PBID boundaries. The Owners' Association will continue to use its website to promote the assessed parcels in both Zones of the District in an effort to increase awareness of the District as a destination for consumers and tenants and increase occupancy and commerce on the assessed parcels. This website is designed to provide visitors information about the Studio City Business Improvement District and the Studio City Walk of Fame in order to attract these visitors and draw in more business in from out of the area, to meet the goals of increased commerce and improved economic vitality.

This marketing service will specially benefit the individual assessed parcels of each Assessed Parcel Type and meet the PBID Goals by increasing awareness of each individual assessed parcel as a destination for customers and commercial tenants and making property owners and occupants aware of efforts being undertaken throughout the District, thereby encouraging increased patronage and increasing commerce on each individual assessed parcel of each Assessed Parcel Type because marketing programs attract customers.

Streetscape, Capital, Parking and Safety Improvements

The Streetscape, Capital, Parking and Safety Improvements category is intended to provide special benefits to the Assessed Parcel Types by implementing projects such as streetscape projects (i.e., purchase of trash receptacles or benches), one-time long lasting capital improvement projects (i.e., median construction or alley repaving), parking programs (i.e., parking promotions or periodic shuttle services) or safety improvements or enhancements (i.e., crosswalk improvements, safety personnel, speed feedback signs). By incorporating streetscape, capital, parking or safety improvements, the District continues to build long-lasting aesthetic enhancements. Funds may not be available to fund all of the above-mentioned examples of projects/programs. In the event sufficient funds are available, the Board of Directors may implement a shuttle or safety program. The District does not currently have a safety or shuttle program. Over time, the projects/programs implemented in this category will benefit each individually assessed parcel by creating long lasting, permanent improvements or services which create a more vibrant district and contribute to the parcels' economic success, economic vitality, and increased commerce.

Of the streetscape, capital parking and safety improvement services described below, Zone 1 will receive capital improvements, streetscape, address parking or safety issues, possible periodic shuttle services and safety enhancements. Zone 2 services will include streetscape projects and address parking or safety issues. Zone 2 does not have medians and therefore will not benefit from median landscaping services. Both Zone 1 and Zone 2 will benefit from this category, with benefits proportional to their respective zones.

Capital improvement projects will specially benefit individual assessed parcels in Zone 1 of the District. This plan does not include capital improvement projects for Zone 2. Zone 2 is not assessed for capital improvement projects. These capital and streetscape projects provide long-lasting improvements that constantly improve the assessed parcels by building on a foundation the Owners' Association set in 1999. These aesthetic enhancements create a special benefit for individual assessed parcels within the PBID by improving the attractiveness of the parcels in an effort to encourage new business growth, development, and increased commerce. The Owner's Association may also need to address safety or parking issues within the District. The Owners' Association will work with property and business owners to identify and resolve issues related to safety or parking in the District. These services will be provided to individual assessed parcels located in Zone 1 of the District. Parcels located in Zone 2 will not receive or benefit from this service because any shuttle services will be provided along street frontage only within Zone 1 of the District. These Streetscape, Capital, Parking and Safety services are intended to

provide special benefits to the individual assessed parcels of each Assessed Parcel Type and meet the PBID Goals by improving beautification, attracting and retaining tenants, and increasing commerce for each individually assessed parcel of each Assessed Parcel Types. These are all special benefits because they increase commerce and add economic vitality. Assessed parcels that receive the streetscape, capital improvements, parking and safety services and programs as described above will specially benefit the assessed parcels by attracting more customers, visitors, employees and tenants thereby improving the economic vitality. These services improve commerce and economic vitality by creating long-lasting streetscape and capital improvement projects that enhance the attraction of the area, parking promotions that will attract more customers to the area, safety enhancements that will improve safety and deter crime, which are designed to increase commerce, and economic vitality.

Administration

Both Zone 1 and Zone 2 will benefit from the administrative services. Both Zone 1 and Zone 2 will benefit from this category. The Owners' Association will continue its administration services by implementing the programs outlined in this Management District Plan for the special benefit of the individual assessed parcels. This effort may also include pursuing opportunities such as applying for grants. The administrator's duties are a special benefit because they implement the PBID Goals, which specially benefit each individual assessed parcel.

Uncollected Assessments/Contingency

Both Zone 1 and Zone 2 will benefit from this category, with benefits proportional to their respective zones. Funds in the Uncollected Assessment Reserve/ Contingency category may be used for City/County collection fees, uncollected assessments, consulting fees, Business Improvement District (BID) renewal fees and additional projects the Owner's Association deems appropriate. This category will ensure that there are sufficient funds to provide PBID services which will in turn result in attracting more customers, visitors, employees and tenants as a result of the SCPBID programs, services and improvements, thereby increasing customers and economic vitality to the SCPBID. The funds from this category will improve commerce and economic vitality by supplementing all the SCPBID programs. Funds in this category may only be expended in any of the categories listed above. Funds in this category will be expended in a manner that is consistent with the PBID Goals. The uncollected assessment and contingency fund will specially benefit each individual assessed parcel of each Assessed Parcel Type because they are necessary to provide the services which specially benefit each individual assessed parcel.

Services by Zone

The services provided in each Zone are commensurate with the assessment in each Zone. The following chart provides a summary of services by zone.

Studio City PBID Summary of Services by Zone

| | Zone 1 | Zone 2 |
|---|---|---|
| Landscape/ Sanitation/ Beautification | Sanitation personnel, trash disposal, sidewalk cleaning, graffiti removal, tree trimming and landscaping services | Sanitation personnel, trash disposal, sidewalk cleaning, graffiti removal and tree trimming |
| Streetscape/ Capital Improvements | Capital Improvements, streetscape, address parking or safety issues, periodic shuttle services*, safety enhancements* | Streetscape, address parking or safety issues |
| Marketing | Holiday decorations, website presence, other marketing promotions and newsletter | Website presence, other marketing promotions and newsletter |
| Administration | Implement PBID services for the benefit of the parcels | Implement PBID services for the benefit of the parcels |
| Uncollected Assessments/ Contingency | These funds will be expended proportionally to the services listed above | These funds will be expended proportionally to the services listed above |

** If funds are sufficient*

VI. DISTRICT ASSESSMENT FORMULA

Separation of Special and General Benefits

All identified parcels within the District boundaries shall be assessed to fund special benefit programs, services and improvements which are outlined in this report as well as the Management District Plan. Services, programs and improvements will only be provided to the assessed parcels inside the District boundaries and none will be provided outside of the District boundaries. Each assessed parcel will proportionately benefit from the BID funded Landscaping, Sanitation, Beautification, Marketing, Streetscape, Capital, Parking, and Safety Programs and Projects as these programs and projects will increase customers, commerce, commercial rental income and improve the economic vitality of the District by deterring crime, litter and debris, all considered detractions if not contained and properly managed. All BID funded services and improvements are considered supplemental above normal base level of services provided by the City of Los Angeles and are only provided for the special benefit of assessed parcels within the boundaries of the District. "Special benefit" is defined in the following section of this report.

As stipulated in Proposition 218, assessment District programs and activities confer a combination of general and special benefits to properties, but only the program benefits that provide special benefits can be assessed. For the purposes of this analysis, a "general benefit" is hereby defined as "A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the improvement, activity, or service to be provided by the assessment levied." "Special benefit" as defined by the California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the District or to the public at large. The services to be provided by the District are supplemental services provided directly to assessed parcels, above and beyond those provided by the City of Los Angeles. The District's services will provide a "direct advantage"¹ to each individually assessed parcel and "affect the assessed property in a way that is particular and distinct from [their] effect on other parcels and that real property in general and the public at large do not share."²

Assessment law requires that the assessment on an individual parcel may not exceed the reasonable cost of the proportional special benefit conferred upon that parcel. The law provides that only special benefits are assessable, and requires the City to separate the general benefits from the special benefits conferred on a parcel. Case law requires that "...even minimal general benefits must be separated from special benefits and quantified so that the percentage of the cost of services and improvements representing general benefits, however slight, can be deducted from the amount of the cost assessed against specially benefitting properties."³ In accordance with the law this report will quantify and separate special and general benefits.

Special Benefit

The services provided by the District are all "over and above those already provided by the City" within the boundaries of the SCPBID. And they are particular and distinct benefits to be provided only to the properties within the SCPBID, not to the public at large – "they affect the assessed property in a way that is particular and distinct from [their] effect on other parcels and that real property in general and

¹ *Tiburon v. Bonander* (2009) 180 Cal.App.4th 1057, 1077.

² *Silicon Valley Taxpayers' Association Inc. v. Santa Clara County Open Space Authority* (2008) 44 Cal.4th 431, 452.

³ *Golden Hill Neighborhood Association, Inc. v. City of San Diego* (2011) 199 Cal. App. 4th 416.

the public at large do not share.”⁴ Each and every parcel assessed within the SCPBID receives a particular and distinct benefit from the improvements and activities of the SCPBID, over and above general benefits conferred upon those parcels by the general activities of the City. The SCPBID services constitute special benefits to all of the assessed parcels. The property uses within the boundaries of the District which will receive special benefits from the SCBID funded programs and services are currently a mix of retail, office, grocery, bank, auto service, attractions, entertainment office, parking, and film lot. The landscaping, sanitation, beautification, marketing, streetscape, capital, parking, safety, and administration services, programs and improvements are primarily designed to provide special benefits as they will improve cleanliness, sanitation, beautification, and safety, enhance parking programs, business and service attraction and retention, and commerce within the SCPBID.

A summary of the proposed SCPBID programs, improvements and services are as follows:

- Landscaping, sanitation and beautification – sanitation personnel, trash disposal, sidewalk cleaning, graffiti removal, tree trimming and landscaping services
- Marketing – Advertising, website, holiday decorations and newsletter
- Streetscape, Capital, Parking and Safety Improvements – streetscape, capital improvements, parking programs and safety enhancements.
- Administration – Management of all activities, contracts, etc., of the BID and associated costs including accounting, insurance, etc. for the implementation of programs and services for assessed parcels.
- Uncollected Assessments - City and County fees, delinquencies and unforeseen expenses

Studies have found that “businesses consider quality-of-life issues to be more important factors in choosing a location than they do tax rates and real-estate prices;”⁵ and that customers “may feel more comfortable and safer within BIDs that have less obvious signs of litter, graffiti, and abandoned cars. A stronger sense of place that accompanies cleaner streets encourages... patronage and has increasingly positive repercussions in a BID.”⁶ Following these studies, the District’s services are designed to address parcel specific issues to increase landscaping, sanitation, beautification, marketing, streetscape, capital, parking, safety, and administration for the special benefit of assessed parcels.

The services will be provided directly to the assessed parcels, and will not be provided to parcels outside of the District. For example, the cleaning services will only be provided for individually assessed parcels within the District boundaries, and will not clean non-assessed parcels. Research has found that “BID areas experienced greater, on average, yearly reductions in the number of robbery, violent, and total crimes that non-BID areas do.”⁷ This suggests that BID-funded services that deter crimes such as graffiti abatement are able to provide special benefits directly, and only, to the assessed parcels which they serve. All services will only be provided to the assessed parcels, they will not be provided to parcels outside the District or to the public at large within the District. These services, provided directly to the assessed parcels, constitute a special benefit to all of the assessed parcels.

⁴ *Dahms v. Downtown Pomona* (2009) 173 Cal.App.4th 1201.

⁵ RAND Corporation; *Neighborhood Effects on Crime and Youth Violence: The Role of Business Improvement Districts in Los Angeles* (2009) p. 8

⁶ RAND Corporation; *Neighborhood Effects on Crime and Youth Violence: The Role of Business Improvement Districts in Los Angeles* (2009) p. 40

⁷ RAND Corporation; *Neighborhood Effects on Crime and Youth Violence: The Role of Business Improvement Districts in Los Angeles* (2009) p. 80

Assessed commercial parcels will specially benefit from these programs, services and improvements because they are designed to attract more customers, increase commerce, commercial rental income, commercial occupancies and improve their overall economic vitality by deterring crime and reducing litter and debris, all considered detractors to commerce commercial occupancy rates and economic vitality if not contained and properly managed. The City of Los Angeles does not provide these programs and services. In the case of the District, the very nature of the purpose of this District is to fund supplemental programs, improvements and services to assessed parcels within the SCPBID boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. All benefits derived from the assessments to be levied on assessed parcels within the SCPBID are for services, programs and improvements directly benefiting each individual assessed parcel within the SCPBID. No BID funded services, activities or programs will be provided outside of the SCPBID boundaries.

For the retail, office, grocery, bank, auto service, attractions, entertainment office, parking, and film lot uses within the District, each of these uses and assessed parcels specially benefit from BID funded programs and services through increased commerce, commercial rental income, commercial occupancies and overall economic vitality. BID funded landscaping, sanitation, beautification, marketing, streetscape, capital, parking, safety, and administration services, uncollected assessments/contingency programs and improvements enhance each assessed parcel by improving cleanliness, sanitation, beautification, safety, parking, business attraction and retention, and commerce for its business tenants, employees, customers, clients and visitors. For example, the communication services (Marketing) provide important and beneficial information to property owners of each assessed parcel within the District via quarterly newsletters and an active website.

General Benefit

As required by the State Constitution Article XIID Section 4(a), the general benefits of an assessment district must be quantified and separated out so that the cost of the activities that are attributed to the general benefit are deducted from the cost assessed against each specially benefitted parcel. General benefits are benefits from the PBID services, programs and improvements that are not special in nature, and are not "particular and distinct" and are not over and above the benefits that other parcels receive. This analysis will calculate the level of general benefits that (1) the public at large may receive, (2) the parcels outside of the SCPBID boundaries may receive, and (3) the assessed parcels within the SCPBID boundaries may receive.

While every attempt is made to provide the programs, services and improvements of the SCPBID to confer benefits only to those identified assessed parcels within the BID, the California State Constitution was amended via Proposition 218 to state that general benefits exist either by design or unintentional, in all assessment districts and that a portion of the programs, services and improvement costs must be considered attributable to general benefits and assigned a value. General benefits cannot be funded by assessment revenues. However, general benefits might be conferred on parcels within the District, or "spillover" onto parcels surrounding the District, or to the public at large who might be passing through the SCPBID with no intention of conducting any commerce within the SCPBID. Because the District's services and improvements are provided directly and only to the assessed parcels, and because they are unique and not provided by the City or any other public agency, they provide an entirely special benefit to the assessed parcels. In other words, there is no general benefit conveyed upon the assessed parcels by the District's services. The following analysis considers the general benefit bestowed upon the public at large and surrounding parcels by the District's services.

Although there is no scientific method to determine the respective relative general benefit, empirical assessment engineering analysis throughout California has found that general benefits within a given business improvement district can be calculated using the composite district overlay determination method. This method of computing the value of general benefit involves a composite of three distinct types of general benefit – general benefit to assessed parcels within the District, general benefit to the public at large within the District and general benefit to the parcels surrounding the District. Therefore, using the district overlay determination method in our general benefit calculation by an engineer with over twenty years' experience in assessment districts, it is possible to come to a reasonable conclusion as to the relative general benefit to the public-at-large and to parcels within and surrounding the District.

1. General Benefits to the Public-At-Large

The general benefit to the public at large includes people that are either inside the SCPBID boundary and not specially benefiting from the activities or parcels outside the boundaries of the SCPBID that may receive a spillover general benefit from the SCPBID activities. In the case of the SCPBID, the public at large is defined as individuals that are within the SCPBID boundary that are not paying an assessment and do not specially benefit from the SCPBID activities and will not engage in commerce. Since the main goal of the SCPBID is to attract pedestrians and increase vehicular traffic of the desired market demographic, increase lease rates, commercial rentals, parking revenues, retail customers, restaurant and diner, auto service and hotel patrons for the assessed parcels in the PBID boundaries, a determination is made of how many people are in the SCPBID boundary and not currently or ever will engage in commerce.

The Studio City PBID contracted with Farrand Research to conduct intercept surveys within the PBID boundary to determine to what degree respondents engage in any type of commercial activity (going to a restaurant/café/bar; conduct personal business, i.e. visit a bank, beauty salon tailor, dry cleaner; pay to park a car in the District, visit a retail business). The survey included 179 participants, with a margin of error of 7.3% and was conducted on October 17 and 19, 2013 at separate locations along Ventura Boulevard, the main commercial core of the District. During this process, all efforts were made to include an unbiased cross section of participants.

The first seven questions of the survey asked the respondent if they are likely, either today or at any point in the future, to engage in any type of commerce activity that is represented through the district such as going to a restaurant/café/bar; conduct personal business, i.e. visit a bank, beauty salon tailor, dry cleaner; pay to park a car in the District, visit a retail business. Of the 179 surveys, none responded that they were not likely to engage in any type of commerce. That means that 100% of the respondents indicated that they will and intend to engage in at least one of the commerce activities asked in the survey and that the PBID services (i.e., landscaping, sanitation, beautification streetscape improvements) contribute to their decision to come to the District and engage in commerce. Therefore, 0% (0/179) of the total survey responses represents the general benefit to the public at large.

2. General Benefits to Adjacent Parcels

None of the SCPBID services will be provided directly to parcels outside the SCPBID boundaries. One study examining property values in BID areas found "no evidence of spill-over impacts (either good or bad) on commercial properties located just outside the BID's boundaries."⁸ It is, nonetheless,

⁸ Furman Center for Real Estate & Urban Policy; The Impact of Business Improvement Districts on Property Values: Evidence from New York City (2007) p. 4

reasonable to conclude that increased safety, cleanliness, and attractiveness in the District may have an indirect impact on parcels immediately adjacent to (just outside of) the District boundaries.

In the case of the SCPBID, the surrounding parcels are those that are outside of the SCPBID's boundary that may receive a general benefit from landscaping, sanitation and beautification programs. Surrounding parcels are defined as parcels that are immediately adjacent to or immediately across the street from the SCPBID parcels where the PBID services are delivered. In order to calculate the general benefit that parcels adjacent to the Studio City PBID may receive, the percentage of each SCPBID activity budget attributed to these parcels must be determined. The table below shows the budgets for each of the PBID activities that may have spillover benefit and their respective percentage of the total SCPBID budget. A Relative Benefit factor is then applied to each of the activities accounting for the potential benefit parcels outside of the district may receive. The relative benefit factor is a basic unit of measure that compares the benefit that the parcels within the District receive compared to parcels outside of the District. Since the parcels in the District boundary receive 100% of the special benefit, they are assigned a relative benefit factor of 1.0 for each SCPBID activity. Since the parcels outside of the district boundary do not directly receive any SCPBID activity, they are assigned a relative benefit factor less than 1.0 for each SCPBID activity. There is no scientific method to determine the respective relative benefit. However, in our professional experience of over 20 years as a Registered Civil Engineer, the relative benefit factors are reasonable to conclude.

In the case of the Studio City PBID, each of the activities under Marketing, i.e., newsletter and website management, specially benefit all parcels in the PBID as these activities strictly target and advertise the parcels within the PBID boundary. This type of PBID activity will generate a general benefit to parcels immediately adjacent to the District, as the increased visitation may lead to spillover increased visitation on non-assessed parcels. The website has a directory of only those businesses within the District. Landscaping, Sanitation, Beautification category and the Streetscape, Capital Parking and Safety Improvements category are site specific to each parcel within the PBID boundary. However, the parcels immediately adjacent to the boundary may visually see the effects of the Landscaping, Sanitation, Beautification category and the Streetscape, Capital Parking and Safety Improvements category and thus, may receive a nominal spillover benefit. These activities can clearly be seen as they are very distinct. For example, a visitor can clearly see the difference between parcels in the District and those outside such as the center medians on Ventura Boulevard. Based upon our experience, the relative benefit factor for the Landscaping, Sanitation, Beautification and the Streetscape, Capital Parking and Safety Improvements, and Marketing categories is .25. The relative benefit factor is then multiplied by the respective PBID budget category percentage to determine the overall benefit factor. The following table illustrates this calculation.

| PBID Activities Budget: | Service Budget | Percent of Total | x | Relative Benefit | = | Benefit Factor |
|--|-----------------------|-------------------------|----------|-------------------------|----------|-----------------------|
| Budget for Landscaping, Sanitation, and Beautification | \$205,082.10 | 42.00% | | 0.25 | | 0.1050 |
| Budget for Streetscape, Capital Parking, and Safety Improvements | \$112,306.86 | 23.00% | | 0.25 | | 0.0575 |
| Budget for Marketing | \$58,594.89 | 12.00% | | 0.25 | | 0.0300 |
| TOTAL PBID SERVICE BUDGET | \$488,290.71 | | | | | 0.1925 |

Based on the criteria of identifying the parcels outside of the PBID boundary, there are 97 parcels that do not directly receive the PBID services, programs and improvements but may receive some spill-over benefit. The parcels outside of the PBID boundary are assigned a total benefit factor of .1925 to account

for the fact that they may benefit from the Landscaping, Sanitation, Beautification and the Streetscape, Capital Parking and Safety Improvements and Marketing that may encourage commerce not only within the PBID boundary, but immediately adjacent to it.

In comparison, there are 222 parcels within the PBID boundary, all of which receive a benefit factor of 1.0 acknowledging that they receive 100% special benefit from the PBID services, programs and improvements. To calculate the general benefit percentage, the respective benefit factors must be applied to the number of parcels both within the PBID boundary and those that are outside of the PBID boundary. The table below shows the calculation for the general benefit percentage.

| | Number of Parcels | x | Benefit Factor | = | Total Benefit Units |
|---|----------------------|---|-------------------|---|---------------------------|
| Number of Parcels in District | 222 | | 1.0000 | | 222.00 |
| Number of Parcels Adjacent to District, not within the SCPBID Boundary | 97 | | 0.1925 | | 18.67 |
| TOTAL | 319 | | | | 240.67 |

General Benefit to parcels outside of the District boundary is therefore **7.76%**. (18.67/240.67) Total Benefit Unit calculations are rounded up or down to two decimal places.

Using the sum of the two measures of general benefit described above (0% + 7.76%), we can find that approximately 7.76% of the benefits conferred by the PBID services, programs and improvements may be general in nature and will be funded from sources other than special assessments.

Total General Benefit

Based upon previous evaluations, in this Engineer's professional estimation, the total value of general benefit, provided to the public-at-large and parcels surrounding the District is **\$37,891.36**. (\$488,290.71 x 7.76%)

Programs provided by SCPBID receive non-assessment funding in the form of grants, corporate sponsorships, event income, and other miscellaneous funds. These non-assessment funds will be used to pay for the general benefit provided by the proposed services, ensuring that parcel assessment dollar will only be used to provide special benefits.

Cost Estimate

The Studio City PBID 2015 calendar year operating budget takes into consideration:

1. The programs, services and improvements needed to provide special benefits to each individual assessed parcel within the District boundary
2. The parcels that specially benefit from said programs, services, and improvements
3. The costs associated with the special and general benefits conferred.

The table on the following page outlines the distribution of the SCPBID initial year service budget.

PBID Categories and Percentage of 2015 Service Budget

| | | 42% | 23% | 12% | 18% | 5% | |
|------------------------|-------------|---|------------------------------------|--------------------|--------------------|--------------------------------------|---------------------|
| Expenditures | % of Budget | Landscaping, Sanitation, Beautification | Streetscape / Capital Improvements | Marketing | Administration | Uncollected Assessments/ Contingency | Total Budget |
| Zone 1 | 93.84% | \$192,449.04 | \$105,388.76 | \$54,985.44 | \$82,478.16 | \$22,910.60 | \$458,212.00 |
| Zone 2 | 6.16% | \$12,633.06 | \$6,918.10 | \$3,609.44 | \$5,414.17 | \$1,503.94 | \$30,078.71 |
| TOTAL EXPENSES | 100% | \$205,082.10 | \$112,306.86 | \$58,594.89 | \$87,892.33 | \$24,414.54 | \$488,290.71 |
| Revenues | | | | | | | |
| Assessment Funds | 92.24% | \$189,167.73 | \$103,591.85 | \$54,047.92 | \$81,071.88 | \$22,519.97 | \$450,399.35 |
| General Benefit Funds* | 7.76% | \$15,914.37 | \$8,715.01 | \$4,546.96 | \$6,820.44 | \$1,894.57 | \$ 37,891.36 |
| TOTAL REVENUES | 100% | \$205,082.10 | \$112,306.86 | \$58,594.89 | \$87,892.33 | \$24,414.54 | \$488,290.71 |

* Other non-assessment funding to cover the cost associated with general benefit.

Assessment Formula

Parcel owners have emphasized that an assessment formula for the District be fair, balanced, and commensurate with benefits received. The assessment rates are shown below.

| Assessment Variable | Zone 1 | Zone 2 |
|-------------------------------------|------------------|-----------------|
| Parcel square footage | \$0.035/sq. ft. | \$0.018/sq. ft. |
| Linear frontage along Ventura Blvd. | \$19.25/lin. ft. | N/A |
| Linear frontage along other streets | \$5.77/lin. ft. | \$1.92/lin. ft. |

“Because not all parcels in the district are identical in size and other characteristics, some will receive more special benefit than others.”⁹ The assessment rate has been designed to account for these differences, and “reflects costs allocated according to relative benefit received”¹⁰ by each parcel. Each parcel will pay for its fair share of the special benefits it receives. It is appropriate to assess parcels based on parcel square footage because square footage correlates directly to special benefits to be received: the larger the parcel, the greater the need for services, and the greater the special benefits derived from the District’s services; plus, services are designed to meet the PBID Goals which will affect and benefit each individual assessed parcel as a whole. Thus, square footage is an appropriate measure of special benefit.

Linear street frontage is also an appropriate measure of benefit because many of the services will be provided to the front of the parcel along streets, primarily Ventura Boulevard. Ventura Boulevard is the primary street in the District that where the majority of the Districts commercial corridor is located. Within the District boundaries, Ventura Boulevard has over 300 businesses in the District. Furthermore, it is the main boulevard travelled by vehicular traffic in the District. Frontage also indicates the amount of the parcel that is directly visible from the street, which relates to ease of access and increased commerce. The more frontage a parcel has, the larger the service area for cleaning, beautification, streetscape, and landscaping programs. Individually-assessed parcels shall be assessed at a parcel square footage and linear front footage rate which does not exceed each parcel’s proportionate special benefit derived from the services provided. Zone 2 parcels will not pay linear street frontage on Ventura

⁹ *Dahms v. Downtown Pomona* (2009) 173 Cal.App.4th 1201.

¹⁰ *Tiburon v. Bonander* (2009) 180 Cal.App.4th 1057, 1077.

Boulevard because they do not have street frontage on Ventura Boulevard. The Zone 2 parcels which front other streets will pay a lower rate per linear front foot along the other streets. The other streets will be serviced by the District, but to a lesser degree than Ventura Boulevard. The other streets are not as heavily trafficked as Ventura Boulevard, nor do they have medians or other unique improvements for servicing.

Because of the cohesive commercial nature and shared PBID Goals, the Assessed Parcel Types all receive and benefit from the PBID services by zone; the only difference in the benefit received by Assessed Parcel Types is that caused by their size and frontage (which is accounted for in the assessment formula) and that caused by the lack of frontage on Zone 2 parcels, which is accounted for by the Zone 2 assessment rate. The retail, office, grocery, bank, auto service, storage are all commercial parcels with the same needs and share the PBID Goals; these parcels will receive benefits for their respective zones such including landscaping, sanitation, beautification, streetscape, capital improvements, marketing and safety enhancements that are intended to experience greater patronage and benefit from improved economic success and increased commerce. The entertainment, attractions, and film lot parcels are all entertainment parcels with the same needs and PBID Goals; these parcels will experience greater patronage and benefit from improved economic success and increased commerce. The parking parcels are publicly-owned lots which will also experience increased patronage, which benefits the lots via increased parking fees.

The following table identifies how the assessed parcels will benefit by zone:

Studio City PBID Summary of Services by Zone

| | Zone 1 | Zone 2 |
|---|---|---|
| Landscape/ Sanitation/ Beautification | Sanitation personnel, trash disposal, sidewalk cleaning, graffiti removal, tree trimming and landscaping services | Sanitation personnel, trash disposal, sidewalk cleaning, graffiti removal and tree trimming |
| Streetscape/ Capital Improvements | Capital Improvements, streetscape, address parking or safety issues, periodic shuttle services*, safety enhancements* | Streetscape, address parking or safety issues |
| Marketing | Holiday decorations, website presence, other marketing promotions and newsletter | Website presence, other marketing promotions and newsletter |
| Administration | Administer PBID services for the benefit of all parcels | Administer PBID services for the benefit of all parcels |
| Uncollected Assessments/ Contingency | These funds will be expended proportionally to the services listed above | These funds will be expended proportionally to the services listed above |

** If funds are sufficient*

The assessments for individually-assessed parcels have been “apportioned in relation to the entirety of the project’s assessable costs”¹¹ attributable to their respective Zone. For the purpose of calculating and apportioning the special benefit accruing to individually-assessed parcels within the District, a budget has been established which includes and reflects the proportionate value of the special benefits that will be provided to individually-assessed parcels. The assessment rate was calculated by first identifying the

¹¹ Ibid

specific characteristics (parcel zoning, parcel size, and parcel street frontage) of each individually-assessed parcel in the District and using those characteristics to calculate each parcel's fair share of the value of the special benefit. Then, the various services to be provided throughout the District were allocated to individually-assessed parcels based on the level of service and value of special benefit to those parcels. Based on the parcel characteristics and special benefit value, the assessment rates in the table above were calculated.

Based on the special benefit received by parcels within the District, and assuming the maximum 4% annual assessment rate increase, the annual assessment fund budget for each year of the District's five-year operation is shown below:

Maximum Annual Assessment Budget

| 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------|--------------|--------------|--------------|--------------|
| \$450,399.35 | \$468,415.32 | \$487,151.94 | \$506,638.01 | \$526,903.54 |

Assessment Calculation

The following steps were taken to identify and calculate the assessment rate and individual parcel assessments.

Step One: Parcel Variables

The first step was to identify variables of parcels. The parcel square footage and linear front footage of individually-assessed parcels were examined to identify the following assessable characteristics:

| Benefit Zone | Total Parcel Square Feet | Total Ventura Frontage | Total Other Frontage |
|--------------|--------------------------|------------------------|----------------------|
| 1 | 2,952,043 | 13,941 | 8,834 |
| 2 | 1,397,723 | 0 | 1,345 |

Step Two – Assessment Rate

To determine the assessment rate, the total special benefit value for each parcel type was divided by the parcel characteristics.

| Benefit Zone | Budget | | Total Lot Square Feet | | Rate |
|--------------|--------------|---|-----------------------|---|---------|
| 1 | \$103,321.51 | ÷ | 2,952,043 | = | \$0.035 |
| 2 | 25,159.01 | ÷ | 1,397,723 | = | \$0.018 |

| Benefit Zone | Budget | | Total Ventura Frontage | | Rate |
|--------------|------------|---|------------------------|---|---------|
| 1 | 268,364.25 | ÷ | 13,941 | = | \$19.25 |
| 2 | - | ÷ | - | = | - |

| Benefit Zone | Budget | | Total Other Frontage | | Rate |
|--------------|-------------|---|----------------------|---|--------|
| 1 | \$50,972.18 | ÷ | 8,834 | = | \$5.77 |
| 2 | 2,582.40 | ÷ | 1,345 | = | \$1.92 |

Sample Assessment Calculation

For example, a commercial parcel in Zone 1 with 1,000 parcel square feet, 100 linear feet of frontage on Ventura Boulevard, and no frontage on other streets, would be assessed as follows:

| Variable | Amount on Parcel | | Assessment Rate | Assessment |
|--------------------|------------------|---|-----------------|-------------------|
| Parcel Square Feet | 1,000 | x | \$0.035 | \$35.00 |
| Ventura Frontage | 100 | x | \$19.25 | \$1,925.00 |
| | | | Total | \$1,960.00 |

Changes to Zoning

If the zoning of a parcel changes during the term of the District (e.g. a commercial parcel is converted to residential, or vice versa), the assessment calculation may be modified accordingly, pursuant to Government Code 53750.

Assessments on Public Parcels

Proposition 218, also known as "The Right to Vote on Taxes Act," states that "parcels within a District that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly-owned parcels in fact receive no special benefit." All public parcels in the SCPBID receive District services and special benefits from those services and are assessed at the full parcel rate. The City of Los Angeles owns three parcels in the District that collectively comprise the Studio City Parking Garage (Lot 690) located at 12225 Ventura Boulevard in Studio City. The parcel will directly receive and benefit from the programs and services of the PBID. Marketing services will benefit the parcels by increasing patronage and therefore increase parking revenues for the parking garage. Sanitation, landscaping and beautification services will benefit the public parcels by keeping the area clean and beautiful. Should sufficient funds become available to establish a shuttle program, the public parcels will benefit from a shuttle stop in front of the public parking garage. All publicly-owned, individually-assessed parcels will receive all of the services provided; therefore, those parcels will be assessed at the full rate.

Assessment law also requires the determination of the proportionate special benefit derived by each parcel in relationship to the entirety of the cost of improvement(s) or the maintenance and operation expenses or the cost of the parcel-related service being provided. In addition, no assessment may exceed the reasonable cost of the proportional special benefit conferred on parcel(s). The proportionate special benefit accruing to each parcel has been allocated based on the lot size and linear frontage of each parcel, thus the total amount to be assessed will not exceed the estimated reasonable cost of the activities and improvements to be provided, and no assessment will exceed the reasonable cost of the proportional special benefit conferred on the parcel.

City of Los Angeles

| Map Key | 31 | 30 | 29 |
|-----------------------------------|-------------|-------------|-------------|
| Assessor's Parcel Number | 2367017902 | 2367017901 | 2367017900 |
| Parcel Size | 1780 | 29948 | 25199 |
| Frontage Other Streets (lin. ft.) | 0.00 | 0.00 | 0.00 |
| Frontage Ventura Blvd. (lin. ft.) | 10.00 | 28.00 | 0.00 |
| Ventura Frontage Assessment | \$192.5 | \$539.00 | \$0.00 |
| Other Street Frontage Assessment | \$0.00 | \$0.00 | \$0.00 |
| Parcel Size Assessment | \$62.30 | \$1048.18 | \$453.58 |
| Zone | 1 | 1 | 2 |
| Total Assessment | \$254.80 | \$1587.18 | \$453.58 |
| Use | Parking Lot | Parking Lot | Parking Lot |

Residential and Agricultural Parcels

California Streets and Highways Code section 36632(c) states, "Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and services funded through these assessments, and shall not be subject to any assessment pursuant to this part." Therefore, parcels that are zoned R1 through R3, parcels zoned RD1.5 through RD3 will not be assessed. There are no agricultural zoned parcels within the District boundaries.

Time and Manner for Collecting Assessments

Tax Bills

For most parcels, as provided by State law, the District special assessment will appear as a separate line item on annual property tax bills prepared by the County of Los Angeles. The City of Los Angeles will directly bill property owners or entities that do not appear on the tax roll. Property tax bills and direct bills are generally distributed in the fall, and payment is expected by lump sum or installments. The County of Los Angeles shall distribute funds collected to the City of Los Angeles. The City of Los Angeles will then disburse the funds to the Owners' Association, pursuant to a contract between the City and Owners' Association. Unpaid assessments will be added to the assessment due for the following year. If a property owner billed by the City fails to pay the amount due in full to the City before the assessment roll for the following tax year is due to the County, the City may place the delinquent assessment on the tax roll in addition to the current years' assessment. Any delinquent amounts collected by the City are eligible for the same penalties imposed on delinquent property taxes.

Assessment Notice

An Assessment Notice will be sent to owners of each individually-assessed parcel in the District Boundary Description (Section II) and Boundary Map (Appendix II) and included in the Assessment Calculation Table (Appendix I) of this Engineer's Report. The Assessment Notice provides an estimated assessment based upon the parcel size (square footage), parcel street frontage (linear footage), and parcel zoning. The final individual assessment for any particular parcel may change, up or down, if the parcel areas or street frontage differ from those found on the Assessment Notice.

Bonds

Bonds will not be issued to finance services as a part of this Studio City PBID.

Future Development


As a result of continued development, the District may experience the addition or subtraction of assessable square footage or frontage for parcels included and assessed within the District boundaries. The modification of parcels may then change upwards or downwards the amount of total assessment for these parcels. In future years, the assessments for the special benefits bestowed upon the included PBID parcels may change in accordance with the assessment methodology formula listed in this Engineer's Report, provided the assessment rate does not change. If the assessment formula changes, then a Proposition 218 ballot will be required for approval of the formula changes, pursuant to California Code 53753.

Any remaining funds, including any remaining funds from the Streetscape, Capital, Parking and Safety Improvements category, will be used to renew the Studio City Business Improvement District.

VII. ENGINEER'S CERTIFICATION

I hereby certify, to the best of my knowledge and experience, that each of the identified benefiting parcels located within the Studio City Property and Business Improvement District will receive a special benefit over and above the general benefits conferred and that the amount of the assessment is no greater than the proportional special benefits conferred on each assessed parcel, as described in this Engineer's Report.

Preparation of the Engineer's Report for the Studio City Property and Business Improvement District was completed by:



Orin N. Bennett, PE
State of California
Registered Civil Engineer No. 25169

June 12, 2014

Date



This Engineer's Report is intended to be distributed in its entirety, including the Boundary Description (Section II), the Assessment Calculation Table (Appendix I), and the Boundary Map (Appendix II). Reproduction and distribution of this Engineer's Report without Appendices violates the intent of this stamp and signature.

APPENDIX 1: ASSESSMENT CALCULATION TABLE

| Map ID | Assessor's Parcel Number (APN) | Assessed Parcel Size ¹ (sqft) | Initial Annual Parcel Assessment (\$/sqft/yr) | Assessed Ventura Blvd Frontage ² (lin ft) | Initial Annual Ventura Blvd Frontage Assessment (\$/lin ft/yr) | Assessed Other Street Frontage ² (lin ft) | Initial Annual Other Street Frontage Assessment (\$/lin ft/yr) | Benefit Zone | Total Initial Annual Assessment (\$/yr) | Exempt ³ |
|--------|--------------------------------|--|---|--|--|--|--|--------------|---|---------------------|
| 1 | 2367015001 | 40,511 | \$0.035 | 0 | \$19.25 | 175 | \$5.77 | 1 | \$2,427.64 | |
| 2 | 2367016002 | 25,378 | \$0.035 | 73 | \$19.25 | 0 | \$5.77 | 1 | \$2,293.48 | |
| 3 | 2367016003 | 19,188 | \$0.035 | 55 | \$19.25 | 0 | \$5.77 | 1 | \$1,730.33 | |
| 4 | 2367016004 | 9,840 | \$0.018 | 0 | \$0.00 | 0 | \$1.92 | 2 | \$177.12 | |
| 5 | 2367016005 | 11,400 | \$0.035 | 60 | \$19.25 | 0 | \$5.77 | 1 | \$1,554.00 | |
| 6 | 2367016006 | 8,499 | \$0.018 | 0 | \$0.00 | 0 | \$1.92 | 2 | \$152.98 | |
| 7 | 2367016007 | 10,500 | \$0.035 | 70 | \$19.25 | 0 | \$5.77 | 1 | \$1,715.00 | |
| 8 | 2367016008 | 9,797 | \$0.035 | 70 | \$19.25 | 0 | \$5.77 | 1 | \$1,690.40 | |
| 9 | 2367016009 | 23,087 | \$0.018 | 0 | \$0.00 | 0 | \$1.92 | 2 | \$415.57 | |
| 10 | 2367016010 | 38,328 | \$0.035 | 100 | \$19.25 | 0 | \$5.77 | 1 | \$3,266.48 | |
| 11 | 2367016011 | 19,746 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,653.61 | |
| 12 | 2367016012 | 12,889 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,413.62 | |
| 13 | 2367016013 | 14,810 | \$0.035 | 137 | \$19.25 | 107 | \$5.77 | 1 | \$3,772.99 | |
| 14 | 2367016014 | 20,473 | \$0.035 | 80 | \$19.25 | 0 | \$5.77 | 1 | \$2,256.56 | |
| 15 | 2367016015 | 11,761 | \$0.035 | 0 | \$19.25 | 146 | \$5.77 | 1 | \$1,254.06 | |
| 16 | 2367016016 | 33,977 | \$0.035 | 0 | \$19.25 | 206 | \$5.77 | 1 | \$2,377.82 | |
| 17 | 2367016017 | 126 | \$0.035 | 0 | \$19.25 | 18 | \$5.77 | 1 | \$108.27 | |
| 18 | 2367016018 | 25,260 | \$0.035 | 73 | \$19.25 | 0 | \$5.77 | 1 | \$2,289.35 | |
| 19 | 2367017003 | 47,838 | \$0.035 | 138 | \$19.25 | 28 | \$5.77 | 1 | \$4,492.39 | |
| 20 | 2367017006 | 37,026 | \$0.035 | 93 | \$19.25 | 0 | \$5.77 | 1 | \$3,086.16 | |
| 21 | 2367017007 | 5,597 | \$0.035 | 40 | \$19.25 | 0 | \$5.77 | 1 | \$965.90 | |
| 22 | 2367017008 | 9,696 | \$0.018 | 0 | \$0.00 | 0 | \$1.92 | 2 | \$174.53 | |
| 23 | 2367017010 | 16,744 | \$0.035 | 46 | \$19.25 | 0 | \$5.77 | 1 | \$1,471.54 | |
| 24 | 2367017011 | 20,517 | \$0.035 | 56 | \$19.25 | 0 | \$5.77 | 1 | \$1,796.10 | |
| 25 | 2367017013 | 18,160 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,598.10 | |
| 26 | 2367017015 | 13,608 | \$0.035 | 77 | \$19.25 | 0 | \$5.77 | 1 | \$1,958.53 | |
| 27 | 2367017016 | 29,046 | \$0.035 | 159 | \$19.25 | 169 | \$5.77 | 1 | \$5,052.49 | |
| 28 | 2367017017 | 19,630 | \$0.035 | 110 | \$19.25 | 0 | \$5.77 | 1 | \$2,804.55 | |
| 29 | 2367017900 | 25,199 | \$0.018 | 0 | \$0.00 | 0 | \$1.92 | 2 | \$453.58 | |
| 30 | 2367017901 | 29,948 | \$0.035 | 28 | \$19.25 | 0 | \$5.77 | 1 | \$1,587.18 | |
| 31 | 2367017902 | 1,780 | \$0.035 | 10 | \$19.25 | 0 | \$5.77 | 1 | \$254.80 | |
| 32 | 2367018001 | 9,069 | \$0.035 | 106 | \$19.25 | 91 | \$5.77 | 1 | \$2,882.99 | |
| 33 | 2367018002 | 2,248 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$559.93 | |
| 34 | 2367018003 | 4,500 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,120.00 | |
| 35 | 2367018008 | 6,747 | \$0.035 | 75 | \$19.25 | 0 | \$5.77 | 1 | \$1,679.90 | |

| Map ID | Assessor's Parcel Number (APN) | Assessed Parcel Size ¹ (sqft) | Initial Annual Parcel Assessment (\$/sqft/yr) | Assessed Ventura Blvd Frontage ² (lin ft) | Initial Annual Ventura Blvd Frontage Assessment (\$/lin ft/yr) | Assessed Other Street Frontage ² (lin ft) | Initial Annual Other Street Frontage Assessment (\$/lin ft/yr) | Benefit Zone | Total Initial Annual Assessment (\$/yr) | Exempt ³ |
|--------|--------------------------------|--|---|--|--|--|--|--------------|---|---------------------|
| 36 | 2367018009 | 2,248 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$559.93 | |
| 37 | 2367018010 | 2,248 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$559.93 | |
| 38 | 2367018011 | 2,248 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$559.93 | |
| 39 | 2367018012 | 4,500 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,120.00 | |
| 40 | 2367018015 | 2,248 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$559.93 | |
| 41 | 2367018016 | 4,447 | \$0.035 | 54 | \$19.25 | 70 | \$5.77 | 1 | \$1,599.05 | |
| 42 | 2367018017 | 2,997 | \$0.035 | 47 | \$19.25 | 67 | \$5.77 | 1 | \$1,396.24 | |
| 43 | 2367018018 | 2,248 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$559.93 | |
| 44 | 2367018019 | 2,248 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$559.93 | |
| 45 | 2367018020 | 4,500 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,120.00 | |
| 46 | 2367018021 | 2,248 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$559.93 | |
| 47 | 2367018022 | 2,248 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$559.93 | |
| 48 | 2367018023 | 2,248 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$559.93 | |
| 49 | 2367018024 | 2,248 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$559.93 | |
| 50 | 2367018025 | 2,248 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$559.93 | |
| 51 | 2367018026 | 4,500 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,120.00 | |
| 52 | 2367018027 | 2,248 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$559.93 | |
| 53 | 2367018028 | 4,500 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,120.00 | |
| 54 | 2367018029 | 2,248 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$559.93 | |
| 55 | 2367018030 | 2,248 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$559.93 | |
| 56 | 2367018031 | 2,248 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$559.93 | |
| 57 | 2367018034 | 2,248 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$559.93 | |
| 58 | 2367018035 | 2,248 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$559.93 | |
| 59 | 2367018036 | 3,128 | \$0.035 | 30 | \$19.25 | 90 | \$5.77 | 1 | \$1,206.28 | |
| 66 | 2367018053 | 4,500 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,120.00 | |
| 67 | 2367018054 | 8,999 | \$0.035 | 100 | \$19.25 | 0 | \$5.77 | 1 | \$2,239.97 | |
| 68 | 2367018055 | 4,500 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,120.00 | |
| 69 | 2368002001 | 9,339 | \$0.035 | 0 | \$19.25 | 198 | \$5.77 | 1 | \$1,469.33 | |
| 70 | 2368002002 | 4,996 | \$0.035 | 0 | \$19.25 | 50 | \$5.77 | 1 | \$463.36 | |
| 71 | 2368002003 | 4,996 | \$0.035 | 0 | \$19.25 | 50 | \$5.77 | 1 | \$463.36 | |
| 72 | 2368002006 | 4,996 | \$0.035 | 0 | \$19.25 | 50 | \$5.77 | 1 | \$463.36 | |
| 73 | 2368002007 | 2,496 | \$0.035 | 0 | \$19.25 | 25 | \$5.77 | 1 | \$231.61 | |
| 74 | 2368002008 | 2,496 | \$0.035 | 0 | \$19.25 | 25 | \$5.77 | 1 | \$231.61 | |
| 75 | 2368002009 | 4,996 | \$0.035 | 0 | \$19.25 | 50 | \$5.77 | 1 | \$463.36 | |
| 76 | 2368002010 | 4,996 | \$0.035 | 0 | \$19.25 | 50 | \$5.77 | 1 | \$463.36 | |
| 77 | 2368002011 | 4,996 | \$0.035 | 0 | \$19.25 | 50 | \$5.77 | 1 | \$463.36 | |
| 78 | 2368002012 | 4,996 | \$0.035 | 0 | \$19.25 | 50 | \$5.77 | 1 | \$463.36 | |

| Map ID | Assessor's Parcel Number (APN) | Assessed Parcel Size ¹ (sqft) | Initial Annual Parcel Assessment (\$/sqft/yr) | Assessed Ventura Blvd Frontage ² (lin ft) | Initial Annual Ventura Blvd Frontage Assessment (\$/lin ft/yr) | Assessed Other Street Frontage ² (lin ft) | Initial Annual Other Street Frontage Assessment (\$/lin ft/yr) | Benefit Zone | Total Initial Annual Assessment (\$/yr) | Exempt ³ |
|--------|--------------------------------|--|---|--|--|--|--|--------------|---|---------------------|
| 79 | 2368002013 | 4,996 | \$0.035 | 0 | \$19.25 | 50 | \$5.77 | 1 | \$463.36 | |
| 80 | 2368002014 | 5,079 | \$0.035 | 0 | \$19.25 | 50 | \$5.77 | 1 | \$466.27 | |
| 81 | 2368002015 | 4,757 | \$0.035 | 0 | \$19.25 | 55 | \$5.77 | 1 | \$483.85 | |
| 82 | 2368002016 | 5,266 | \$0.035 | 0 | \$19.25 | 52 | \$5.77 | 1 | \$484.35 | |
| 83 | 2368002017 | 11,330 | \$0.035 | 0 | \$19.25 | 107 | \$5.77 | 1 | \$1,013.94 | |
| 84 | 2368002018 | 14,140 | \$0.035 | 0 | \$19.25 | 207 | \$5.77 | 1 | \$1,689.29 | |
| 85 | 2368002033 | 15,438 | \$0.018 | 0 | \$0.00 | 262 | \$1.92 | 2 | \$780.92 | |
| 86 | 2368002034 | 11,369 | \$0.035 | 179 | \$19.25 | 111 | \$5.77 | 1 | \$4,484.14 | |
| 87 | 2368002035 | 4,996 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.36 | |
| 88 | 2368002036 | 4,996 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.36 | |
| 89 | 2368002037 | 4,996 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.36 | |
| 90 | 2368002038 | 29,107 | \$0.035 | 196 | \$19.25 | 171 | \$5.77 | 1 | \$5,778.42 | |
| 91 | 2368002039 | 4,996 | \$0.035 | 0 | \$19.25 | 50 | \$5.77 | 1 | \$463.36 | |
| 92 | 2368002040 | 4,996 | \$0.035 | 0 | \$19.25 | 50 | \$5.77 | 1 | \$463.36 | |
| 93 | 2368002041 | 8,700 | \$0.035 | 0 | \$19.25 | 237 | \$5.77 | 1 | \$1,671.99 | |
| 94 | 2368002042 | 26,567 | \$0.035 | 0 | \$19.25 | 363 | \$5.77 | 1 | \$3,024.36 | |
| 95 | 2368002043 | 19,998 | \$0.035 | 0 | \$19.25 | 200 | \$5.77 | 1 | \$1,853.93 | |
| 96 | 2368003001 | 4,914 | \$0.018 | 0 | \$0.00 | 141 | \$1.92 | 2 | \$359.17 | |
| 99 | 2368005011 | 1,288,069 | \$0.018 | 0 | \$0.00 | 942 | \$1.92 | 2 | \$24,993.88 | |
| 100 | 2368006001 | 8,529 | \$0.035 | 64 | \$19.25 | 110 | \$5.77 | 1 | \$2,165.22 | |
| 101 | 2368006002 | 5,998 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,172.43 | |
| 102 | 2368006003 | 5,998 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,172.43 | |
| 103 | 2368006004 | 5,998 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,172.43 | |
| 104 | 2368006005 | 17,999 | \$0.035 | 150 | \$19.25 | 0 | \$5.77 | 1 | \$3,517.47 | |
| 105 | 2368006006 | 2,997 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$586.15 | |
| 106 | 2368006007 | 2,997 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$586.15 | |
| 107 | 2368006008 | 5,998 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,172.43 | |
| 108 | 2368006009 | 5,998 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,172.43 | |
| 109 | 2368006010 | 5,998 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,172.43 | |
| 110 | 2368006011 | 11,914 | \$0.035 | 131 | \$19.25 | 100 | \$5.77 | 1 | \$3,515.74 | |
| 118 | 2368006024 | 17,912 | \$0.035 | 161 | \$19.25 | 100 | \$5.77 | 1 | \$4,303.17 | |
| 120 | 2369001009 | 2,496 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$568.61 | |
| 121 | 2369001010 | 2,496 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$568.61 | |
| 122 | 2369001011 | 4,996 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.36 | |
| 123 | 2369001012 | 4,996 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.36 | |
| 124 | 2369001016 | 3,746 | \$0.035 | 38 | \$19.25 | 0 | \$5.77 | 1 | \$862.61 | |
| 125 | 2369001017 | 4,996 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.36 | |

| Map ID | Assessor's Parcel Number (APN) | Assessed Parcel Size ¹ (sqft) | Initial Annual Parcel Assessment (\$/sqft/yr) | Assessed Ventura Blvd Frontage ² (lin ft) | Initial Annual Ventura Blvd Frontage Assessment (\$/lin ft/yr) | Assessed Other Street Frontage ² (lin ft) | Initial Annual Other Street Frontage Assessment (\$/lin ft/yr) | Benefit Zone | Total Initial Annual Assessment (\$/yr) | Exempt ³ |
|--------|--------------------------------|--|---|--|--|--|--|--------------|---|---------------------|
| 126 | 2369001018 | 2,496 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$568.61 | |
| 127 | 2369001019 | 2,496 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$568.61 | |
| 128 | 2369001021 | 4,996 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.36 | |
| 129 | 2369001022 | 4,996 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.36 | |
| 130 | 2369001023 | 4,996 | \$0.035 | 50 | \$19.25 | 100 | \$5.77 | 1 | \$1,714.36 | |
| 131 | 2369001024 | 6,247 | \$0.035 | 63 | \$19.25 | 0 | \$5.77 | 1 | \$1,431.40 | |
| 132 | 2369001025 | 6,991 | \$0.035 | 129 | \$19.25 | 145 | \$5.77 | 1 | \$3,564.59 | |
| 133 | 2369002017 | 2,679 | \$0.035 | 27 | \$19.25 | 100 | \$5.77 | 1 | \$1,190.52 | |
| 134 | 2369002018 | 5,179 | \$0.035 | 52 | \$19.25 | 0 | \$5.77 | 1 | \$1,182.27 | |
| 135 | 2369002020 | 7,497 | \$0.035 | 75 | \$19.25 | 0 | \$5.77 | 1 | \$1,706.15 | |
| 136 | 2369002021 | 4,996 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.36 | |
| 137 | 2369002022 | 4,996 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.36 | |
| 138 | 2369002023 | 9,997 | \$0.035 | 100 | \$19.25 | 0 | \$5.77 | 1 | \$2,274.90 | |
| 139 | 2369002024 | 2,495 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$568.58 | |
| 140 | 2369002025 | 2,500 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$568.75 | |
| 141 | 2369002026 | 9,997 | \$0.035 | 100 | \$19.25 | 0 | \$5.77 | 1 | \$2,274.90 | |
| 142 | 2369002027 | 1,999 | \$0.035 | 20 | \$19.25 | 0 | \$5.77 | 1 | \$454.97 | |
| 143 | 2369002028 | 2,997 | \$0.035 | 30 | \$19.25 | 0 | \$5.77 | 1 | \$682.40 | |
| 144 | 2369002029 | 4,996 | \$0.035 | 50 | \$19.25 | 100 | \$5.77 | 1 | \$1,714.36 | |
| 145 | 2369004023 | 4,896 | \$0.035 | 49 | \$19.25 | 100 | \$5.77 | 1 | \$1,691.61 | |
| 146 | 2369004024 | 5,097 | \$0.035 | 51 | \$19.25 | 0 | \$5.77 | 1 | \$1,160.15 | |
| 147 | 2369004025 | 5,000 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.50 | |
| 148 | 2369004026 | 2,496 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$568.61 | |
| 149 | 2369004027 | 2,496 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$568.61 | |
| 150 | 2369004028 | 4,996 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.36 | |
| 151 | 2369004029 | 4,996 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.36 | |
| 152 | 2369004030 | 4,996 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.36 | |
| 153 | 2369004031 | 7,497 | \$0.035 | 75 | \$19.25 | 0 | \$5.77 | 1 | \$1,706.15 | |
| 154 | 2369004032 | 2,496 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$568.61 | |
| 155 | 2369004033 | 2,496 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$568.61 | |
| 156 | 2369004034 | 2,496 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$568.61 | |
| 157 | 2369004035 | 4,996 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.36 | |
| 158 | 2369004036 | 2,496 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$568.61 | |
| 159 | 2369004037 | 2,496 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$568.61 | |
| 160 | 2369004038 | 4,996 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.36 | |
| 161 | 2369004039 | 4,996 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.36 | |
| 162 | 2369004040 | 2,496 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$568.61 | |

| Map ID | Assessor's Parcel Number (APN) | Assessed Parcel Size ¹ (sqft) | Initial Annual Parcel Assessment (\$/sqft/yr) | Assessed Ventura Blvd Frontage ² (lin ft) | Initial Annual Ventura Blvd Frontage Assessment (\$/lin ft/yr) | Assessed Other Street Frontage ² (lin ft) | Initial Annual Other Street Frontage Assessment (\$/lin ft/yr) | Benefit Zone | Total Initial Annual Assessment (\$/yr) | Exempt ³ |
|--------|--------------------------------|--|---|--|--|--|--|--------------|---|---------------------|
| 163 | 2369004041 | 2,496 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$568.61 | |
| 164 | 2369004042 | 4,996 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.36 | |
| 165 | 2369004043 | 4,996 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,137.36 | |
| 166 | 2369004044 | 2,496 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$568.61 | |
| 167 | 2369004045 | 2,496 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$568.61 | |
| 168 | 2369004046 | 6,011 | \$0.035 | 51 | \$19.25 | 102 | \$5.77 | 1 | \$1,780.68 | |
| 169 | 2369014001 | 32,984 | \$0.035 | 103 | \$19.25 | 268 | \$5.77 | 1 | \$4,683.55 | |
| 170 | 2369014002 | 28,314 | \$0.035 | 100 | \$19.25 | 0 | \$5.77 | 1 | \$2,915.99 | |
| 171 | 2369014003 | 7,096 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$729.61 | |
| 172 | 2369014004 | 7,096 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$729.61 | |
| 173 | 2369014005 | 14,196 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,459.36 | |
| 174 | 2369014006 | 11,696 | \$0.035 | 65 | \$19.25 | 0 | \$5.77 | 1 | \$1,660.61 | |
| 175 | 2369014007 | 14,449 | \$0.035 | 85 | \$19.25 | 0 | \$5.77 | 1 | \$2,141.97 | |
| 176 | 2369014008 | 27,600 | \$0.035 | 185 | \$19.25 | 149 | \$5.77 | 1 | \$5,386.98 | |
| 177 | 2369014009 | 7,985 | \$0.018 | 0 | \$0.00 | 0 | \$1.92 | 2 | \$143.73 | |
| 178 | 2369014010 | 21,157 | \$0.035 | 0 | \$19.25 | 106 | \$5.77 | 1 | \$1,352.12 | |
| 179 | 2369015003 | 21,296 | \$0.035 | 0 | \$19.25 | 100 | \$5.77 | 1 | \$1,322.36 | |
| 180 | 2369015006 | 13,559 | \$0.035 | 0 | \$19.25 | 50 | \$5.77 | 1 | \$763.07 | |
| 181 | 2369015013 | 6,538 | \$0.035 | 0 | \$19.25 | 35 | \$5.77 | 1 | \$430.78 | |
| 182 | 2369015015 | 4,996 | \$0.018 | 0 | \$0.00 | 0 | \$1.92 | 2 | \$89.93 | |
| 183 | 2369015016 | 152,460 | \$0.035 | 438 | \$19.25 | 0 | \$5.77 | 1 | \$13,767.60 | |
| 184 | 2369015017 | 2,657 | \$0.035 | 0 | \$19.25 | 17 | \$5.77 | 1 | \$191.09 | |
| 185 | 2369015018 | 27,617 | \$0.035 | 0 | \$19.25 | 100 | \$5.77 | 1 | \$1,543.60 | |
| 186 | 2369015019 | 66,211 | \$0.035 | 262 | \$19.25 | 327 | \$5.77 | 1 | \$9,247.68 | |
| 187 | 2369016001 | 5,506 | \$0.035 | 50 | \$19.25 | 110 | \$5.77 | 1 | \$1,789.91 | |
| 188 | 2369016002 | 5,527 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,155.95 | |
| 189 | 2369016003 | 2,762 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$577.92 | |
| 190 | 2369016004 | 2,766 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$578.06 | |
| 191 | 2369016005 | 2,770 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$578.20 | |
| 192 | 2369016006 | 5,545 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,156.58 | |
| 193 | 2369016007 | 2,779 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$578.52 | |
| 194 | 2369016008 | 2,783 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$578.66 | |
| 195 | 2369016009 | 5,580 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,157.80 | |
| 196 | 2369016010 | 2,792 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$578.97 | |
| 197 | 2369016011 | 2,797 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$579.15 | |
| 198 | 2369016012 | 2,801 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$579.29 | |
| 199 | 2369016013 | 2,805 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$579.43 | |

| Map ID | Assessor's Parcel Number (APN) | Assessed Parcel Size ¹ (sqft) | Initial Annual Parcel Assessment (\$/sqft/yr) | Assessed Ventura Blvd Frontage ² (lin ft) | Initial Annual Ventura Blvd Frontage Assessment (\$/lin ft/yr) | Assessed Other Street Frontage ² (lin ft) | Initial Annual Other Street Frontage Assessment (\$/lin ft/yr) | Benefit Zone | Total Initial Annual Assessment (\$/yr) | Exempt ³ |
|--------|--------------------------------|--|---|--|--|--|--|--------------|---|---------------------|
| 200 | 2369016014 | 2,810 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$579.60 | |
| 201 | 2369016015 | 5,628 | \$0.035 | 50 | \$19.25 | 0 | \$5.77 | 1 | \$1,159.48 | |
| 202 | 2369016032 | 4,286 | \$0.035 | 38 | \$19.25 | 0 | \$5.77 | 1 | \$881.51 | |
| 203 | 2369016034 | 9,840 | \$0.035 | 87 | \$19.25 | 0 | \$5.77 | 1 | \$2,019.15 | |
| 211 | 2369027031 | 13,414 | \$0.035 | 111 | \$19.25 | 115 | \$5.77 | 1 | \$3,269.79 | |
| 215 | 2375018008 | 89,734 | \$0.035 | 472 | \$19.25 | 447 | \$5.77 | 1 | \$14,805.88 | |
| 216 | 2375018013 | 36,500 | \$0.035 | 287 | \$19.25 | 338 | \$5.77 | 1 | \$8,752.51 | |
| 217 | 2375018018 | 82,328 | \$0.035 | 421 | \$19.25 | 543 | \$5.77 | 1 | \$14,118.84 | |
| 218 | 2375018019 | 49,658 | \$0.035 | 262 | \$19.25 | 259 | \$5.77 | 1 | \$8,275.96 | |
| 219 | 2375021008 | 138,085 | \$0.035 | 235 | \$19.25 | 0 | \$5.77 | 1 | \$9,356.73 | |
| 220 | 2375021016 | 35,720 | \$0.035 | 76 | \$19.25 | 0 | \$5.77 | 1 | \$2,713.20 | |
| 221 | 2375021017 | 10,890 | \$0.035 | 56 | \$19.25 | 0 | \$5.77 | 1 | \$1,459.15 | |
| 222 | 2375021018 | 38,770 | \$0.035 | 100 | \$19.25 | 0 | \$5.77 | 1 | \$3,281.95 | |
| 223 | 2375021019 | 105,420 | \$0.035 | 312 | \$19.25 | 0 | \$5.77 | 1 | \$9,695.70 | |
| 224 | 2375021020 | 17,860 | \$0.035 | 152 | \$19.25 | 127 | \$5.77 | 1 | \$4,283.89 | |
| 225 | 2375021022 | 201,247 | \$0.035 | 242 | \$19.25 | 258 | \$5.77 | 1 | \$13,190.81 | |
| 226 | 2375021023 | 30,590 | \$0.035 | 134 | \$19.25 | 0 | \$5.77 | 1 | \$3,650.15 | |
| 227 | 2384008027 | 96,670 | \$0.035 | 313 | \$19.25 | 697 | \$5.77 | 1 | \$13,430.39 | |
| 228 | 2384016046 | 32,260 | \$0.035 | 251 | \$19.25 | 241 | \$5.77 | 1 | \$7,351.42 | |
| 229 | 2384018005 | 10,520 | \$0.035 | 60 | \$19.25 | 0 | \$5.77 | 1 | \$1,523.20 | |
| 230 | 2384018006 | 10,180 | \$0.035 | 169 | \$19.25 | 0 | \$5.77 | 1 | \$3,609.55 | |
| 231 | 2384018007 | 8,960 | \$0.035 | 56 | \$19.25 | 122 | \$5.77 | 1 | \$2,095.54 | |
| 232 | 2384022019 | 6,060 | \$0.035 | 51 | \$19.25 | 0 | \$5.77 | 1 | \$1,193.85 | |
| 233 | 2384022020 | 9,000 | \$0.035 | 70 | \$19.25 | 0 | \$5.77 | 1 | \$1,662.50 | |
| 234 | 2384022021 | 12,620 | \$0.035 | 55 | \$19.25 | 0 | \$5.77 | 1 | \$1,500.45 | |
| 235 | 2384022023 | 8,160 | \$0.035 | 60 | \$19.25 | 0 | \$5.77 | 1 | \$1,440.60 | |
| 236 | 2384022024 | 13,960 | \$0.035 | 100 | \$19.25 | 0 | \$5.77 | 1 | \$2,413.60 | |
| 237 | 2384022027 | 15,010 | \$0.035 | 100 | \$19.25 | 0 | \$5.77 | 1 | \$2,450.35 | |
| 238 | 2384022028 | 4,040 | \$0.035 | 25 | \$19.25 | 0 | \$5.77 | 1 | \$622.65 | |
| 239 | 2384022029 | 12,200 | \$0.035 | 75 | \$19.25 | 0 | \$5.77 | 1 | \$1,870.75 | |
| 240 | 2384022032 | 34,570 | \$0.035 | 200 | \$19.25 | 0 | \$5.77 | 1 | \$5,059.95 | |
| 241 | 2384022036 | 34,070 | \$0.035 | 221 | \$19.25 | 0 | \$5.77 | 1 | \$5,446.70 | |
| 242 | 2384022049 | 30,740 | \$0.035 | 302 | \$19.25 | 0 | \$5.77 | 1 | \$6,889.40 | |
| 243 | 2384023028 | 9,310 | \$0.035 | 142 | \$19.25 | 0 | \$5.77 | 1 | \$3,059.35 | |
| 244 | 2384023029 | 9,760 | \$0.035 | 90 | \$19.25 | 0 | \$5.77 | 1 | \$2,074.10 | |
| 245 | 2384023033 | 19,690 | \$0.035 | 80 | \$19.25 | 0 | \$5.77 | 1 | \$2,229.15 | |
| 246 | 2384023044 | 7,080 | \$0.035 | 100 | \$19.25 | 0 | \$5.77 | 1 | \$2,172.80 | |

| Map ID | Assessor's Parcel Number (APN) | Assessed Parcel Size ¹ (sqft) | Initial Annual Parcel Assessment (\$/sqft/yr) | Assessed Ventura Blvd Frontage ² (lin ft) | Initial Annual Ventura Blvd Frontage Assessment (\$/lin ft/yr) | Assessed Other Street Frontage ² (lin ft) | Initial Annual Other Street Frontage Assessment (\$/lin ft/yr) | Benefit Zone | Total Initial Annual Assessment (\$/yr) | Exempt ³ |
|--------|--------------------------------|--|---|--|--|--|--|--------------|---|---------------------|
| 247 | 2384023047 | 12,330 | \$0.035 | 90 | \$19.25 | 0 | \$5.77 | 1 | \$2,164.05 | |
| 248 | 2384023053 | 11,420 | \$0.035 | 105 | \$19.25 | 0 | \$5.77 | 1 | \$2,420.95 | |
| | TOTALS | 4,349,766 | | 13,941 | | 10,179 | | | \$450,399.35 | |

Notes:

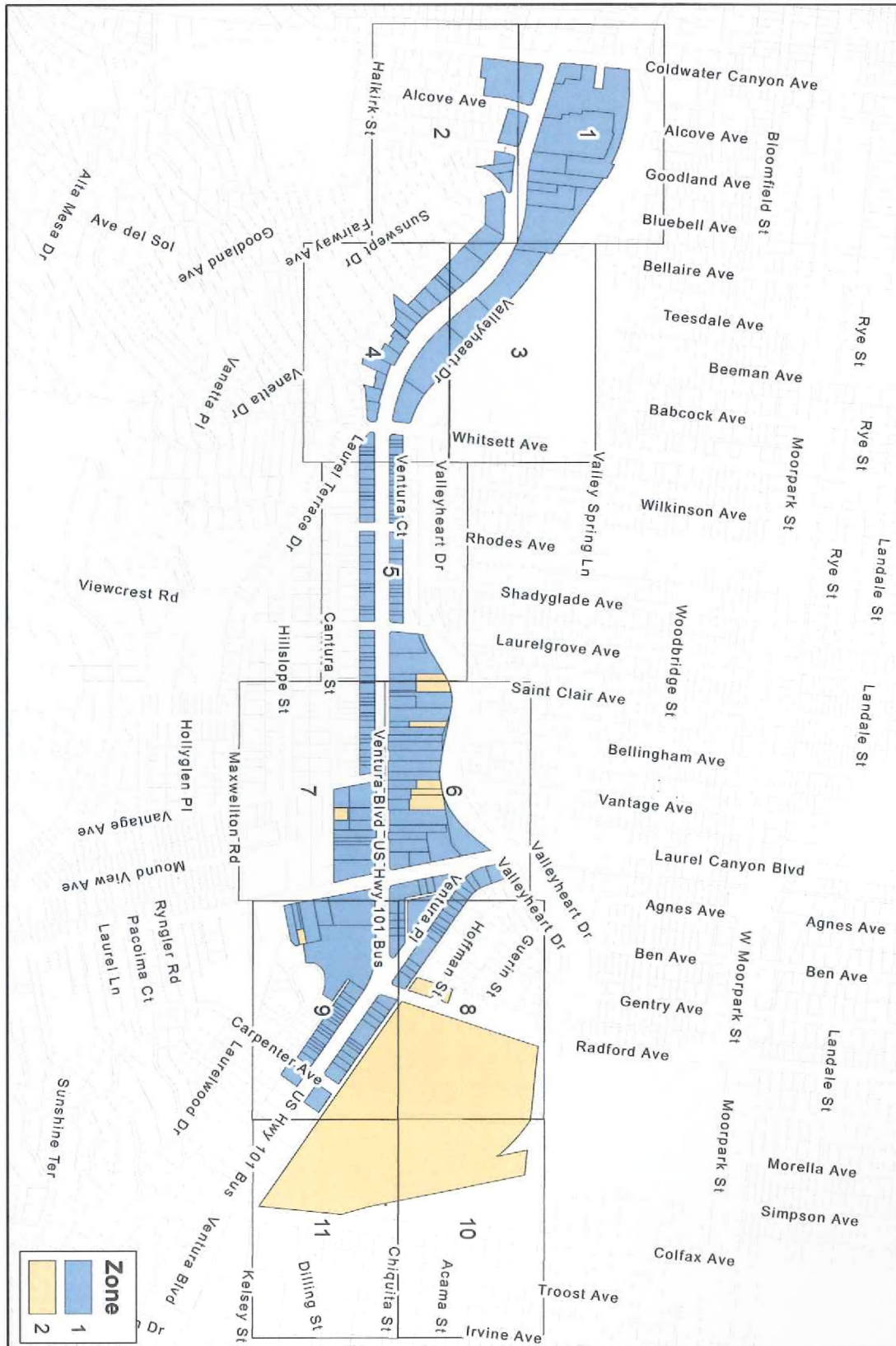
¹ Assessed parcel size was determined by others.

² Assessed street frontage was determined by others.

³ The following exemptions apply to the assessment formula:

- a. Residential and agricultural parcels will not be assessed.

APPENDIX 2: MAP



Date Printed: 10/17/2013

Studio City Business Improvement District Cover





Studio City Business Improvement District Map Book Page: 1

Date Printed: 10/17/2013





Studio City Business Improvement District Map Book Page: 2

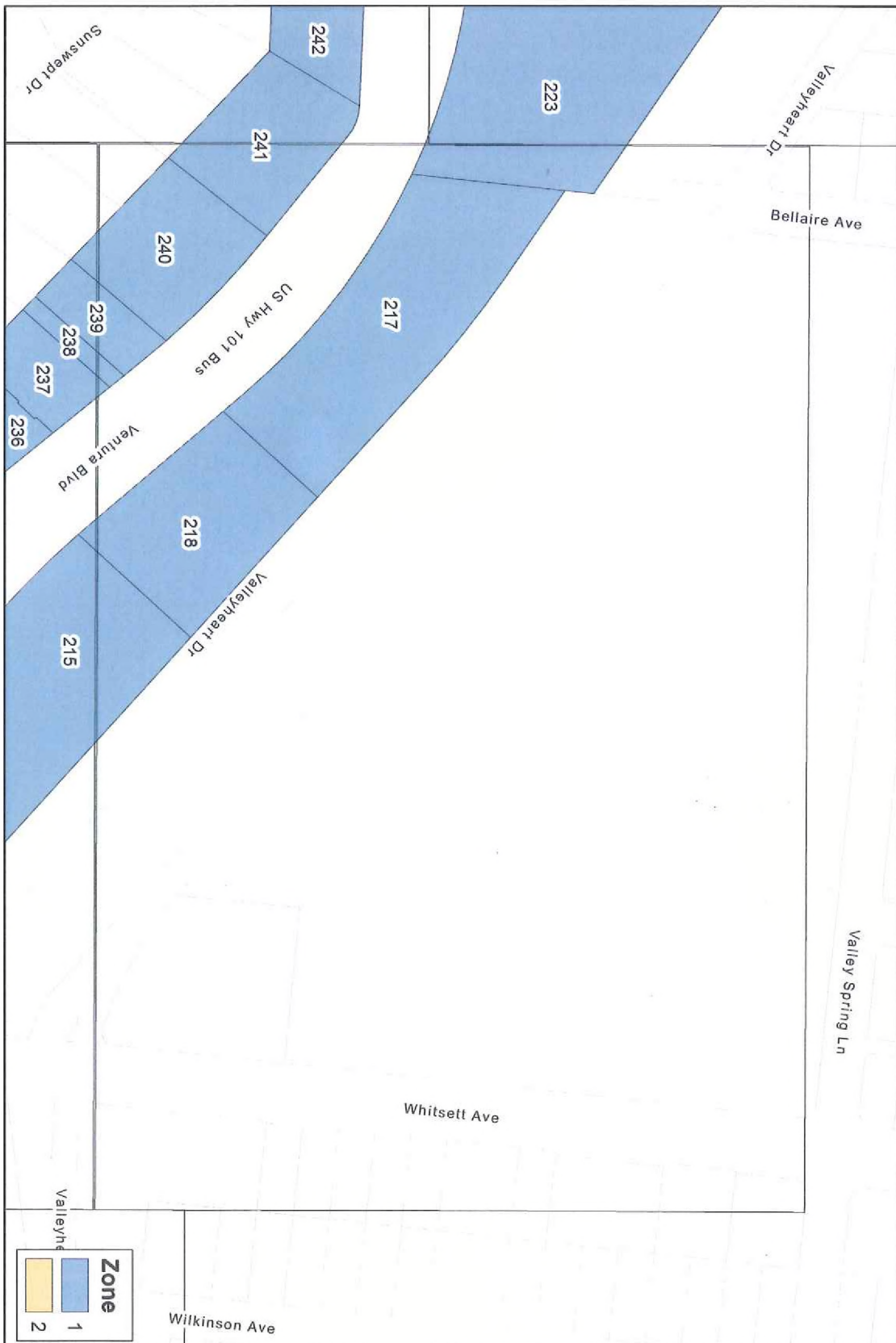
Date Printed: 10/17/2013





Studio City Business Improvement District Map Book Page: 3

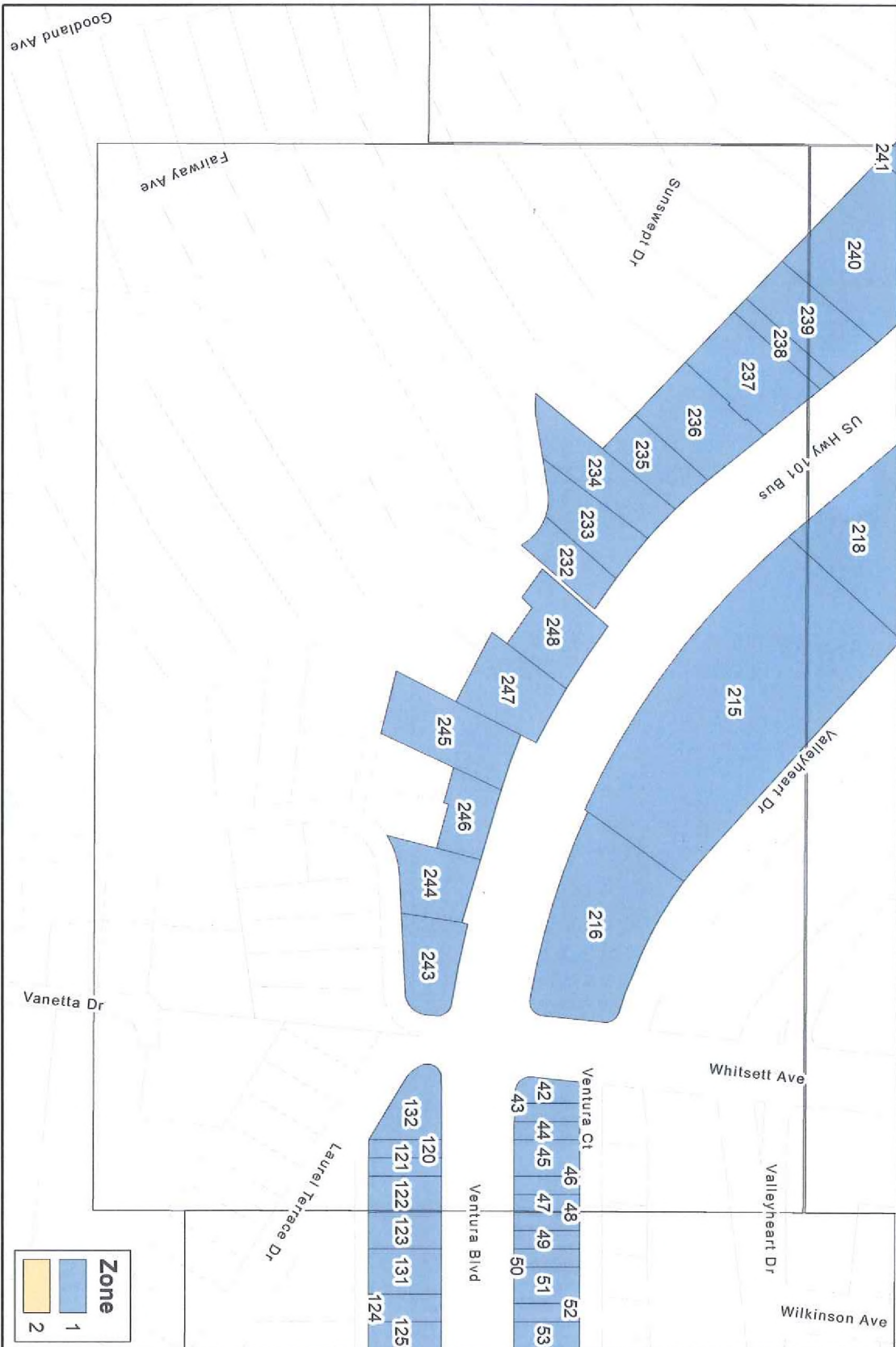
Date Printed: 10/17/2013





Studio City Business Improvement District Map Book Page: 4

Date Printed: 10/17/2013





Studio City Business Improvement District Map Book Page: 5

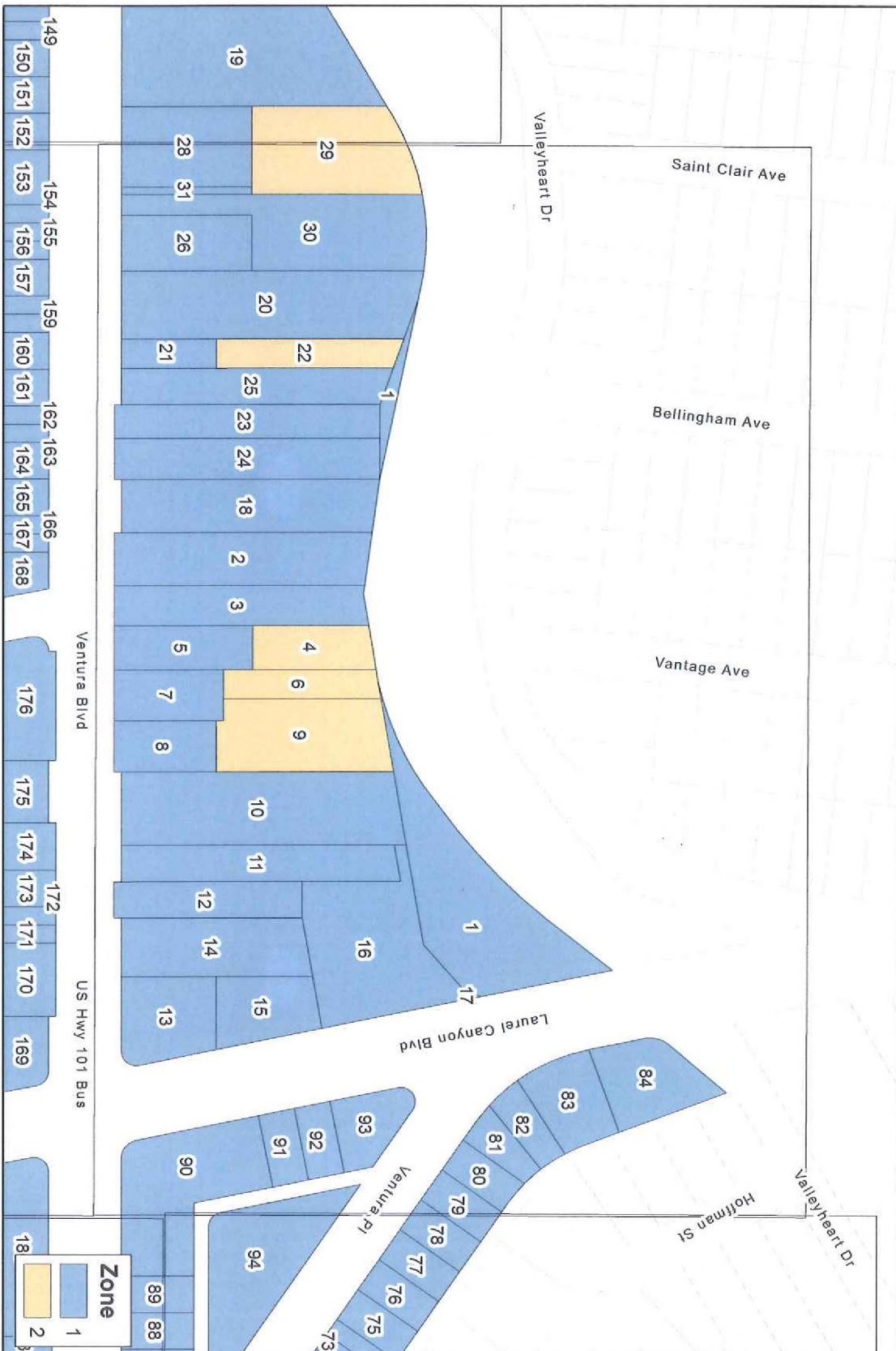
Date Printed: 10/17/2013





Studio City Business Improvement District Map Book Page: 6

Date Printed: 10/17/2013





Studio City Business Improvement District Map Book Page: 7

Date Printed: 10/17/2013





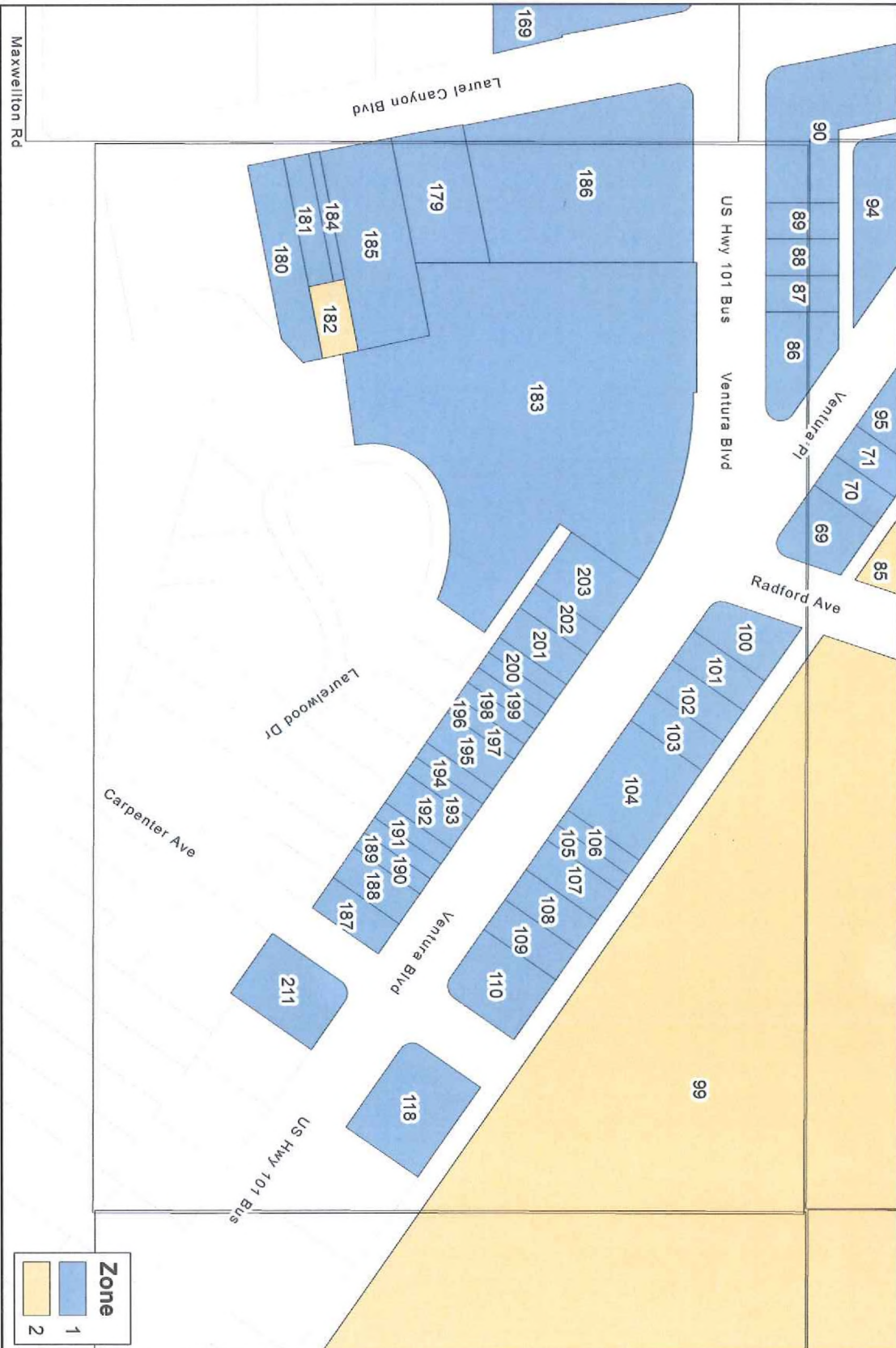
Studio City Business Improvement District Map Book Page: 8

Date Printed: 10/17/2013



Studio City Business Improvement District Map Book Page: 9

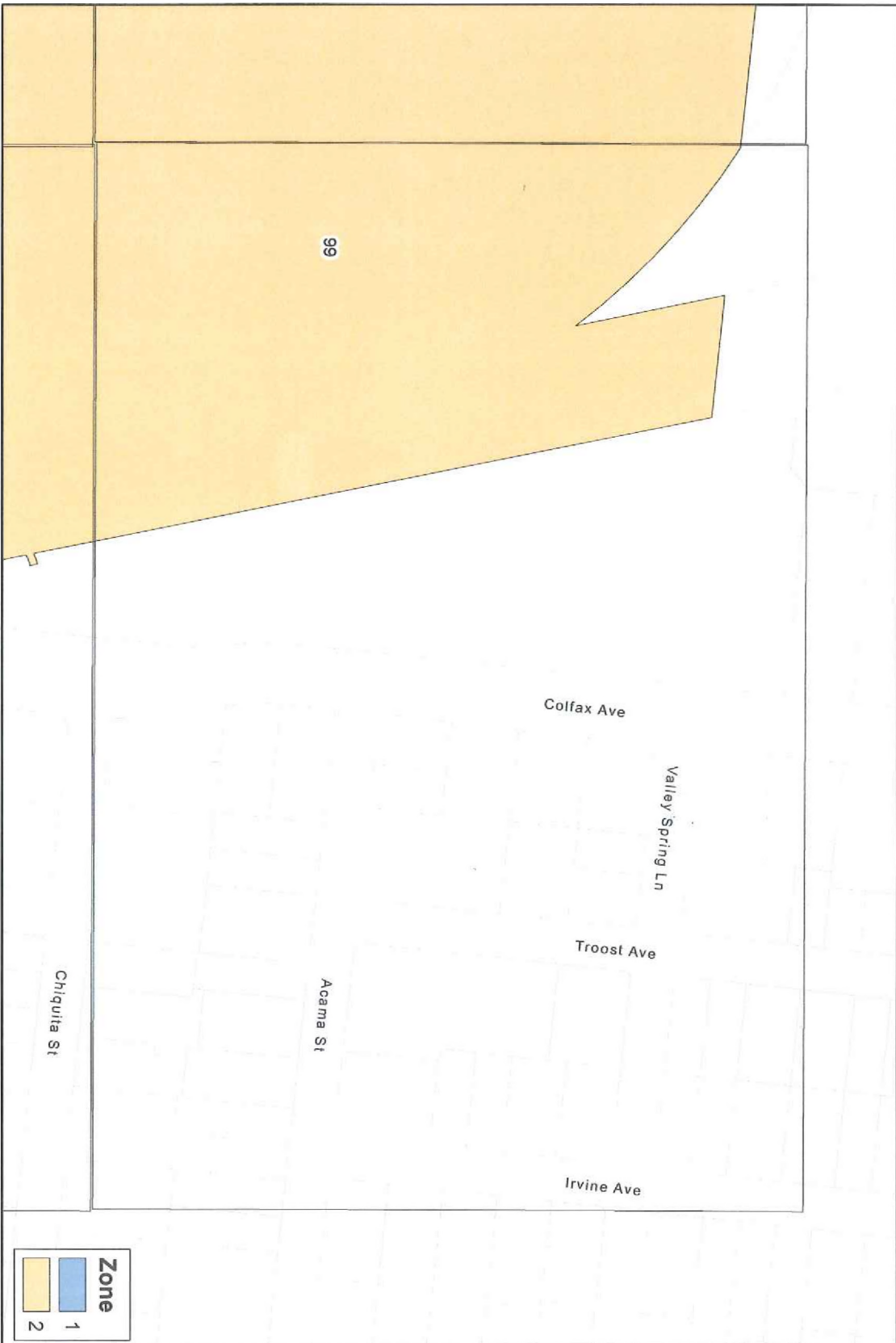
Date Printed: 10/17/2013





Studio City Business Improvement District Map Book Page: 10

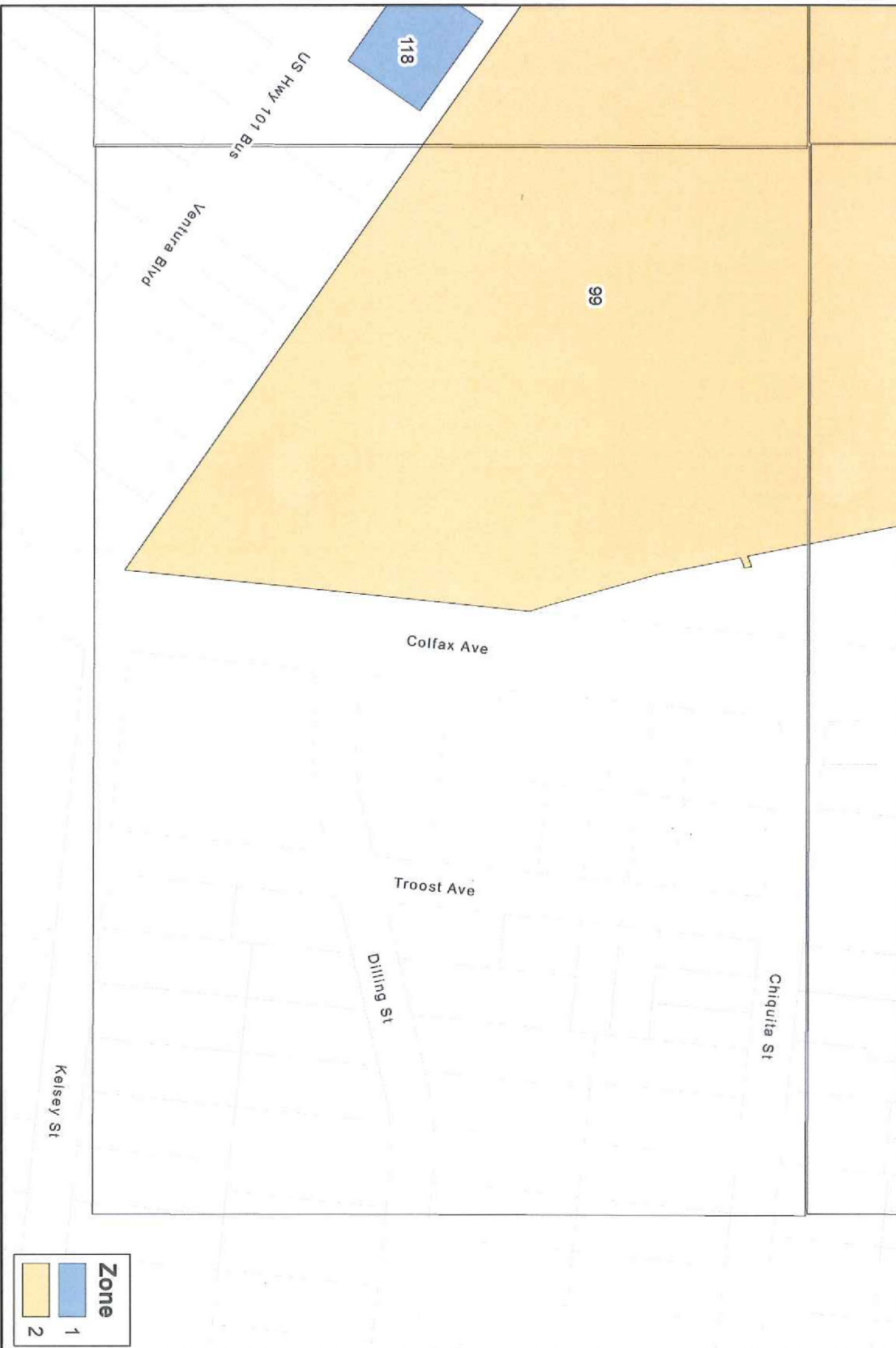
Date Printed: 10/17/2013





Studio City Business Improvement District Map Book Page: 11

Date Printed: 10/17/2013



APPENDIX 3 – INTERCEPT SURVEY RESULTS SUMMARY

FINAL RESULTS: Studio City PBID Visitor Survey

SAMPLE SIZE = 179; MARGIN OF ERROR = 7.3%

INTERVIEW DATES: October 17 & October 19, 2013

A. Do you work within the Studio City Business Improvement District? Yes: 49 No: 121 N/A: 9

Now, I am going to read a list of activities. For each one I read, please tell me how likely you think it is that you will do that activity either today, or at ANY point in the future, while in the Studio City Business Improvement District. Please tell me if you are very likely, somewhat likely, slightly likely, or not at all likely to do the following either today or at ANY point in the future...

Stroll or walk around OR simply wait to make a transit connection

Eat or drink at a restaurant, café, bar

Shop or take a class

Visit a nightclub, bar or attend a live show (Rain Nightclub)

Conduct personal business like visit a bank, beauty salon, tailor, dry cleaner or office

Pay to park your car within the District

Visit CBS Studio Center for a live taping of a show

Visit the Studio City Walk of Fame

SUMMARY OF RESPONSES

VERY LIKELY, SOMEWHAT LIKELY OR SLIGHTLY LIKELY TO ENGAGE IN ONE OR MORE
OF THE COMMERCIAL ACTIVITY

179

NOT AT ALL LIKELY TO PERFORM ANY OF THE COMMERCIAL ACTIVITIES

0

TOTAL 179

Now, I am going to read a list of features. For each I read, please tell me how important each is to you when making your decision to engage in any of the activities you provided a “likely” response to. Please tell me if each of the following features is very important, somewhat important, just slightly important or not at all important in making your decision to engage in any of the activities.

Cleanliness, like sidewalk sweeping, extra trash pick-up, steam cleaning and graffiti removal

Appearance, like plants, flowers and landscaping

Communication to the community about the District and its offerings

“Ventura Receipts Program” which gives back to local schools for shopping within the District

Availability of parking in the Studio City parking garage

SUMMARY OF RESPONSES

VERY LIKELY, SOMEWHAT LIKELY OR SLIGHTLY LIKELY TO ENGAGE IN ONE OR MORE
OF THE FEATURES

179

NOT AT ALL IMPORTANT FEATURES

0

TOTAL

179